

THIS LEASE made in duplicate as of December 18 2018.

B E T W E E N:

**THE CORPORATION OF THE MUNICIPALITY OF
NORTH GRENVILLE**

(herein called the "Landlord")

- and -

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF GOVERNMENT AND
CONSUMER SERVICES**

(herein called the "Tenant")

SUMMARY

The following is a summary of certain provisions, which are part of, and are referred to in subsequent provisions of this Lease. Any conflict or inconsistency between these provisions and the provisions contained elsewhere in this Lease will be resolved in favour of the provisions contained elsewhere in this Lease:

- (a) **Address of Premises:** 509 Kernahan Street, Kemptville, Ontario
- (b) **Annual Rent:** For the period commencing December 18, 2018 to December 17, 2019:
\$10,052.00 per annum
\$837.67 payable monthly, based on \$14.00 per square foot per annum of the Rentable Area of the Premises, being 718 square feet.
- For the period commencing December 18, 2019 to December 17, 2020:
\$10,253.04, per annum
\$854.42 payable monthly, based on \$14.28 per square foot per annum of the Rentable Area of the Premises, being 718 square feet.
- For the period commencing December 18, 2020 to December 17, 2021:
\$10,461.26, per annum
\$871.77 payable monthly, based on \$14.57 per square foot per annum of the Rentable Area of the Premises, being 718 square feet.
- For the period commencing December 18, 2021 to December 17, 2022:

\$10,669.48, per annum

\$889.12 payable monthly, based on \$14.86 per square foot per annum of the Rentable Area of the Premises, being 718 square feet.

For the period commencing December 18, 2022 to December 17, 2023:

\$10,884.88, per annum

\$907.07 payable monthly, based on \$15.16 per square foot per annum of the Rentable Area of the Premises, being 718 square feet.

- (c) **Term:** Five (5) years
- (d) **Extension Options:** Two (2) extension terms of five (5) years each, each exercisable upon at least six (6) months' prior written notice to the Landlord.
- (e) **Commencement Date:** December 18, 2018
- (f) **Address of Landlord:** The Corporation of the Municipality of North Grenville
285 County Road #44,
P.O. Box 130
Kemptville, ON K0G 1J0
- With rent cheques to be made payable to:** The Corporation of the Municipality of North Grenville
- (g) **Address of Tenant:** Ontario Infrastructure and Lands Corporation
333 Preston Street, 10th Floor, Suite 1010
Ottawa, Ontario K1S 5N4
Attention: Vice President, Asset Management
Fax: (613) 738-4106
- With a copy to:**
- Ontario Infrastructure and Lands Corporation
777 Bay Street, Suite 900
Toronto, Ontario M5G 2C8
Attention: Director, Legal Services (Real Estate and Leasing)
Fax: 416-326-2854
- With an additional copy to:**
- CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: Global Workplace Solutions - Director, Lease Administration – OILC
Fax: (416) 775-3989
- (h) **Occupant:** The Ministry of Community Safety and Correctional Services
- (i) **Parking:** The Tenant (and the Occupant and the persons utilizing the services of the Occupant) is entitled to the use of six (6) reserved parking spaces designated for the exclusive use by the Tenant, the Occupant or their servants or agents located in the Parking Areas at no cost to the Tenant.

- (k) **Cancellation:** The Tenant shall have the right to cancel the Lease with such date of cancellation to be effective at any time after the Commencement Date, by giving the Landlord no less than six (6) months' prior written notice of cancellation.
- (l) **Annual Rent Free Period:** The Tenant shall be entitled to a two (2) month Annual Rent free period commencing on the Commencement Date and expiring on February 17, 2019.

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DEFINITIONS

In this Lease and in the Schedules to this Lease, the following words or phrases have the following meanings:

"Additional Rent" means all charges or sums of money payable by the Tenant under the provisions of this Lease other than Annual Rent. Additional Rent is due and payable with the next monthly instalment of Annual Rent unless otherwise provided herein, but in any event is not payable as part of Annual Rent.

"Additional Services" means all services supplied by the Landlord in addition to those required to be supplied by the Landlord to the Tenant pursuant to this Lease, except for any services which the Landlord elects to supply to all of the tenants of the Building, the cost of which is included in the Additional Rent for the Building.

"Agreement to Lease" is comprised of the Offer to Lease/Letter of Intent dated October 15, 2018 of the Tenant, which was accepted by the Landlord on November 2018.

"Annual Rent" means the rent payable by the Tenant to the Landlord pursuant to Article 3 of this Lease.

"Architect" means the independent, arm's length architect, surveyor or professional civil engineer, from time to time named by the Landlord and approved by the Tenant acting reasonably.

"Authority" means any governmental authority, quasi-governmental authority, agency, body or department whether federal, provincial or municipal, having or claiming jurisdiction over the Premises or the Building, or the use thereof.

"Building" means the building having the municipal address of 509 Kernahan Street, Kemptville, erected on the Lands, from and including the lowest floor or level of the Building to and including the roof of the Building, the Structure, the Common Areas and Facilities, the Parking Areas and the areas and facilities exclusively serving the Building, which areas and facilities may include, without limitation, lobbies, foyers and vestibules, sidewalks, storage and mechanical areas, Mechanical and Electrical Services, janitor rooms, mail rooms, telephone rooms, rooms for the Mechanical and Electrical Services, stairways, escalators, elevators, truck and receiving areas, driveways, loading docks and corridors. Where the context requires, "Building" includes all buildings of the Landlord on the Lands.

"Business Day" means any day which is normally considered a regular day of business for most government offices for the Province of Ontario.

"Commencement Date" means the date set out in Article 2 of this Lease for the beginning of the Term.

"Common Areas and Facilities" means those areas, facilities, utilities, improvements, equipment and installations in the Building which are not leased to tenants of the Building, and which serve or are for the benefit of the Building and are located within the Building or on the Lands, including all areas, facilities, utilities, improvements, equipment and installations which are provided by the Landlord for the use or benefit of all the tenants, their employees, customers and other invitees in common with others entitled to the use and benefit thereof in the manner and for the purposes permitted by this Lease.

"Contemplated Use" means for office/administrative purposes or any other business or purpose permitted by applicable Laws.

"Environmental Contaminant(s)" means (a) any substance which, when it exists in the Building or the water supplied to or in the Building, or when it is released into the Building or any part thereof, or into the water or the natural environment, is likely to cause, at any time, material harm or degradation to the Building or any part thereof, or to the natural environment or material risk to human health, and includes, without limitation, any flammables, explosives, radioactive materials, asbestos, lead paint, PCBs, fungal contaminants (including, without limitation, and by way of example, stachybotrys chartarum and other moulds), mercury and its compounds, dioxins and furans, chlordane (DDT), polychlorinated biphenyls, chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), volatile organic compounds (VOCs), urea formaldehyde foam

insulation, radon gas, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic or noxious substances or related materials, petroleum and petroleum products, or (b) any substance declared to be hazardous or toxic under any Environmental Laws now or hereafter enacted or promulgated by any Authorities, or (c) both (a) and (b).

"Environmental Laws" means any federal, provincial or local law, statute, ordinance, regulation, policy, guideline or order and all amendments thereto pertaining to health, industrial hygiene, environmental conditions or Environmental Contaminants, including, without limitation, the *Environmental Protection Act*, R.S.O. 1990, c. E.19, the *Environmental Assessment Act*, R.S.O. 1990, c. E.18, the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, the *Occupational Health and Safety Act*, R.S.O. 1990, c. O.1, the *Safe Drinking Water Act, 2002*, S.O. 2002, c.32, and applicable air quality guidelines, as such statutes, regulations and guidelines may be amended from time to time.

"Landlord" means the Landlord and its duly authorized representatives.

"Landlord Transfer" means any (a) assignment, sale, conveyance or other disposition of this Lease or any interest of the Landlord hereunder, (b) sale of the Building or any part thereof and (c) transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription of all or part of the corporate shares of the Landlord or an "affiliate" (as that term is defined on the date of this Lease under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44) of the Landlord which results in a change in the effective voting control of the Landlord. "Landlord Transferee" shall have the meaning corresponding to the definition of "Landlord Transfer" set out above (it being understood that for a Landlord Transfer described in clause (c), the Landlord Transferee is the Person that has effective voting control after the Landlord Transfer).

"Landlord's Taxes" means all taxes, rates, duties, levies and assessments whatsoever whether municipal, provincial, federal or harmonized, charged upon the Building and the Lands, or upon the Landlord on account thereof, including all taxes, rates, duties, levies, impost charges and assessments for local improvements, education and schools and all taxes, grants or assessments which may in future be levied in lieu of "Landlord's Taxes" as hereinbefore defined, and including any local improvement charges or levies directly or indirectly related to the development of the Building. Landlord's Taxes include, without limitation, realty taxes, grants in lieu of taxes, business taxes of the Landlord, corporation taxes, capital taxes, excise taxes, Sales Taxes, income taxes, Commercial Concentration Tax, or any other taxes or assessments levied against the Landlord, the Building, the Lands, or the Rent.

"Landlord's Work" means any work described in Schedule "I" (Leasehold Improvements by Landlord), that must be completed by the Landlord to the Tenant's satisfaction before the Premises are delivered to the Tenant on the Scheduled Delivery Date. The Landlord's Work shall be completed in accordance with Schedule "I" attached hereto.

"Lands" means the lands underneath the Building and those lands owned by the Landlord which are directly adjacent to the Building, as more particularly described in Schedule "A" attached hereto.

"Laws" means any enactments, by-laws, statutes, ordinances, regulations, guidelines, codes, orders and policies and all amendments thereto and any successor legislation, of any Authority including, but not limited to, the *Ontarians with Disabilities Act, 2001*, S.O. 2001, c.32 ("ODA"), the *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11 ("AODA"), the *Financial Administration Act*, R.S.O. 1990, c. F.12, and all regulations made thereunder, including without limitation O.Reg. 429/07 made under the AODA.

"Lease" means this agreement and all the terms, covenants and conditions set out herein, as amended from time to time as set out in Section 6.17 of this Lease.

"Leasehold Improvements" means all items generally considered as leasehold improvements including, without limitation, all installations, alterations, and additions from time to time made, erected or installed in the Premises by or on behalf of the Tenant, or any previous occupant of the Premises, and any initial Tenant's Leasehold Improvements installed by the Landlord pursuant to Schedule "I" attached hereto.

"Market Rental" means, at any given time, the then current market rental rate as indicated by market comparables, being leases, with comparable terms (including, without limitation, the length of the term and the frequency of adjustments in rent, if any) entered into at arm's length with comparable tenants with financial standing comparable to the Tenant, for Unimproved office premises of comparable size, effective age, quality and use in comparable buildings in the vicinity in which the Building is located, taking into account the incidence of tenant inducements and allowances or initial rent-free or reduced rent periods then prevailing in the relevant market areas, and making the necessary adjustments for any differences.

"Mechanical and Electrical Services" include, but are not limited to, all mechanical, electrical, drainage, lighting, incinerating, ventilation, air-conditioning, humidification, elevating, heating, pumping, sprinkling, alarm, plumbing and other mechanical and electrical systems installed in or used in the operation of the Building and the Lands.

"Normal Business Hours" means those hours and days considered by the Occupant to be its normal business hours, namely Monday to Friday, 7 a.m. to 7 p.m. and Saturday and Sunday 8 a.m. to 5 p.m..

"Occupant" means the Ministry of Community Safety and Correctional Services.

"OILC" means the Ontario Infrastructure and Lands Corporation.

"Open Data" means data that is required to be released to the public pursuant to the Open Data Directive.

"Open Data Directive" means the Management Board of Cabinet's Open Data Directive, updated on April 29, 2016, as amended from time to time.

"Parking Areas" means the improvements constructed from time to time, in or as part of the Building and the Lands for use as parking facilities for the tenants of the Building and their employees, servants and invitees, and the areas and facilities that are appurtenant solely to those improvements, but excluding the parking areas, driveways, loading areas and other parts of the service area forming part of the Premises and available exclusively to the Tenant or other tenants in the building. The Landlord shall designate the minimum number of the parking spaces comprising the Parking Areas prescribed by the relevant Authority for the sole and exclusive use of people with disabilities.

"Person", if the context allows, includes any person, firm, partnership or corporation, or any group of persons, firms, partnerships or corporations or any combination thereof.

"Premises" means the premises containing a rentable area, which, as of the Commencement Date, has been deemed to be seven hundred eighteen (718) square feet and occupying • (INSERT FLOOR NUMBER) floor of the Building, being • (INSERT SUITE/UNIT NUMBER). If the Premises are entirely self-enclosed, their boundaries extend (a) to the inside finished surface of the permanent outer walls, and (b) from the top surface of the structural subfloor to the bottom surface of the suspended ceiling. If the Premises have no suspended ceiling abutting the demising walls and are open to the ceiling or the bottom surface of the structural ceiling of the Building, the boundaries of the Premises extend from the top surface of the structural subfloor to the height of the demising walls. The location of the Premises is outlined on the plan attached hereto as Schedule "B".

"Rent" means the aggregate of Annual Rent and Additional Rent.

"Rentable Area of the Building" means the total of the rentable area of all premises within the Building, which has been deemed to be • (INSERT NUMBER OF SQUARE FEET).

"Rentable Area of the Premises" has been deemed to be seven hundred eighteen (718) square feet.

"Sales Taxes" means all business transfer, multi-usage sales, sales, goods and services, harmonized sales, use, consumption, value-added or other similar taxes imposed by the Government of Canada and/or Ontario upon the Landlord, or the Tenant, or in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord

hereunder including, without limitation, the rental of the Premises and the provision of administrative services to the Tenant hereunder.

"Service Provider(s)" means any Person retained by the Tenant to provide to the Tenant services in respect of the administration and operations of this Lease.

"Structure" means (a) the foundations, roof (including the roof membrane), exterior wall assemblies and appurtenances thereto (including weather walls), bearing walls, floor structures, subfloors, and structural columns and beams of the Building, (and any part thereof), (b) all plumbing, drainage, Mechanical and Electrical Services and equipment within, servicing, leading up to, from and under the Building, and (c) any other portions of the Building normally considered to be part of the structural portion of a building, or where the repairs or replacements thereto are normally considered a major capital expenditure.

"Tenant" means the party identified on page one (1) of this Lease and includes, for the purpose of any exculpatory clause and indemnity included in this Lease in favour of the Tenant, any ministries, agencies, representatives, servants, employees, agents, invitees, officers, directors, contractors and licensees of Her Majesty the Queen in right of Ontario and Ontario Infrastructure and Lands Corporation, or their Service Provider(s) or property management companies, and/or any other entity over whom the Tenant may reasonably be expected to exercise control. It is understood and agreed that the Minister of Government and Consumer Services or Ontario Infrastructure and Lands Corporation by their representatives are the only Persons entitled to bind the Tenant contractually.

"Term" means the term of this Lease set out in Article 2 of this Lease and any Extension Term (as defined in Section 6.12 below).

"Trade Fixtures" means the personal chattels installed prior to the Commencement Date, at the Commencement Date or during the Term by or on behalf of the Tenant, in, on or which serve, the Premises, for the sole purpose of the Tenant carrying on its trade in the Premises pursuant to Section 4.6 of this Lease and which Trade Fixtures the Tenant is permitted to remove only to the extent permitted by the terms of this Lease, but Trade Fixtures do not include Leasehold Improvements of the Tenant.

"Unimproved" means: (a) full completion of exterior and interior finishes on all perimeter walls with standard finishes associated with the Building, (b) finished demising walls and entrance doors with locking hardware, (c) fully balanced distribution of the Mechanical and Electrical Services to base building standards, (d) level finished concrete floor, and (e) new or "as new" finished T-bar ceiling, but shall exclude the Building security system and equipment related thereto installed by the Tenant or on the Tenant's behalf.

"Utilities" means all gas, electricity, water, sewer, steam, fuel oil, power, telecommunications equipment for transmitting and receiving signals, and other utilities used in or for the Building or the Premises, as the case may be.

**ARTICLE 1
PREMISES**

In consideration of the rents reserved and the covenants and agreements herein contained to be paid, observed and performed by the Tenant, the Landlord hereby leases to the Tenant the Premises for the Term, together with the non-exclusive right to use the Common Areas and Facilities and any Parking Areas together with all others entitled thereto. The Landlord shall deliver possession of the Premises to the Tenant on the Scheduled Delivery Date with the Landlord's Work completed in accordance with the provisions of the this Lease.

**ARTICLE 2
TERM**

TO HAVE AND TO HOLD the Premises for and during the Term of Five (5) years, commencing on December 18, 2018 which is the date immediately following the expiry of the Fixturing Period described in Section 3.3 and ending on December 17, 2023, unless previously terminated pursuant to the terms of this Lease.

The Tenant is entitled to exclusive possession of the Premises during the Fixturing Period (as defined below) commencing on the Scheduled Delivery Date (as defined below). If the Landlord is unable to deliver vacant possession of the Premises to the Tenant on the Scheduled Delivery Date with the Landlord's Work completed, then (a) the commencement of the Fixturing Period and the Commencement Date shall be adjusted, and (b) the expiration of the Term shall be extended, to correspond with the period of delay. If the Landlord fails to deliver vacant possession of the Premises to the Tenant with the Landlord's Work completed within fifteen (15) days after the Scheduled Delivery Date and such failure is because (i) the Premises are not vacant, (ii) the Landlord has not completed the Landlord's Work and any other work to be done by the Landlord to bring the Premises into the condition required by this Lease, or (iii) any reason within the control of the Landlord (and the Landlord's financing shall be deemed to be within the Landlord's control), its agents or contractors, then notwithstanding anything in this Lease to the contrary, the Tenant shall be entitled to two (2) gross Rent free days for each one (1) day of delay beyond the aforementioned fifteen (15) day period, commencing on the Commencement Date.

Without prejudice to the foregoing, in the event the Landlord fails to deliver vacant possession of the Premises to the Tenant with the Landlord's Work completed within fifteen (15) days after the Scheduled Delivery Date as set out in the previous paragraph, the Tenant shall have the right, at its sole discretion, to terminate this Lease, upon written notice to the Landlord, without any liability to the Tenant.

If the Premises are available for occupancy prior to the Scheduled Delivery Date, then the Tenant may, at its option, occupy the Premises prior to the Scheduled Delivery Date, without any obligation to pay Rent. The Tenant agrees that during any period of occupation prior to the Commencement Date, it shall abide by the terms and conditions of this Lease as if this Lease was in force and effect, save and except for the payment of Rent hereunder.

**ARTICLE 3
ANNUAL RENT**

**Section 3.1
Annual Rent**

The Tenant hereby covenants to pay to the Landlord as Annual Rent, during the Term, as follows:

For the period commencing December 18, 2018 to December 17, 2019:

\$10,052.00 per annum

\$837.67 payable monthly, based on \$14.00 per square foot per annum of the Rentable Area of the Premises, being 718 square feet.

For the period commencing December 18, 2019 to December 17, 2020:

\$10,253.04, per annum

\$854.42 payable monthly, based on \$14.28 per square foot per annum of the Rentable Area of the Premises, being 718 square feet.

For the period commencing December 18, 2020 to December 17, 2021:

\$10,461.26, per annum

\$871.77 payable monthly, based on \$14.57 per square foot per annum of the Rentable Area of the Premises, being 718 square feet.

For the period commencing December 18, 2021 to December 17, 2022:

\$10,669.48, per annum

\$889.12 payable monthly, based on \$14.86 per square foot per annum of the Rentable Area of the Premises, being 718 square feet.

For the period commencing December 18, 2022 to December 17, 2023:

\$10,884.88, per annum

\$907.07 payable monthly, based on \$15.16 per square foot per annum of the Rentable Area of the Premises, being 718 square feet.

It is agreed and understood that the Annual Rent shall commence to be payable on the Commencement Date, except as otherwise set out in this Lease.

It is the intent of the parties that this Lease is to be interpreted as a fully gross lease and not a semi-gross or a net lease. The Tenant shall be responsible for only expenses and/or obligations in respect of, or attributable to, the Premises, as herein expressly provided.

Annual Rent shall be payable to the Landlord in lawful money of Canada, in advance in equal monthly instalments on the first day of each and every month during the Term at such place as the Landlord shall hereafter designate in writing. If the Term commences on any day other than the first day of a month or ends on any day other than the last day of a month, Annual Rent for the fractions of a month at the Commencement Date and at the end of the Term shall be prorated on a per diem basis, based upon a period of three hundred and sixty-five (365) days. Rental payments shall, unless otherwise agreed upon by the parties, be made by the Tenant by direct deposit to the Landlord as further directed by the Landlord. The Landlord covenants to provide the Tenant with a minimum of fifteen (15) days' prior written notice of a change in either the payee of the Rent or the account number of the

bank account of the payee to which payments of Rent are being directed.

The Tenant shall pay to the Landlord all applicable Sales Taxes assessed on the Rent payable by the Tenant to the Landlord under this Lease. The Sales Taxes shall not be deemed to be Additional Rent under this Lease, but may be recovered by the Landlord as though they were Additional Rent.

**Section 3.2
Access to Premises
for Measurement**

The Tenant shall be permitted access to the Premises from December 17, 2018, that being the day following the waiving of the Tenant's condition contained in the Agreement to Lease, for the purpose of measuring the Premises in order to complete the plans and specifications for the Tenant's Leasehold Improvements.

**Section 3.3
Rent Free
Fixturing Period**

Intentionally deleted.

**Section 3.4
Annual Rent Free
Period**

The Tenant shall receive an Annual Rent free period which shall commence on the Commencement Date and expire on February 17, 2019 (the "Annual Rent Free Period"). The Tenant has no obligation whatsoever to pay Annual Rent during the Annual Rent Free Period

**ARTICLE 4
TENANT'S
COVENANTS**

The Tenant covenants with the Landlord as follows:

**Section 4.1
Payment of Rent**

To pay Rent in accordance with the provisions of this Lease.

**Section 4.2
Compensation for
Damage**

Subject to Section 5.10(B), to make good or compensate the Landlord for any damage to the Premises (save and except for any loss of profit or consequential loss that is indirect or not reasonably foreseeable) caused by negligent, reckless or wilful misconduct of the Tenant's servants, agents, employees, licensees, or any Person for whom the Tenant is at law responsible.

**Section 4.3
Notice of Defect**

To give the Landlord notice, as soon as reasonably possible, of any accident to or defect in the Mechanical and Electrical Services, or any other system or part of the Premises which the Landlord is obligated to repair.

**Section 4.4
Entry by Landlord**

Subject to Subsection 5.3(g), to permit the Landlord to enter the Premises at any reasonable time after delivering two (2) Business Days' prior written notice to the Tenant's designated representative (except in the case of an emergency when no notice is required), for the purpose of inspecting the Premises and making permitted or required repairs to the Premises. If the Tenant is not present to permit an entry by the Landlord to the Premises at the time that entry is necessary by reason of an emergency, then the Landlord, without any notice to the Tenant, may forcibly enter the Premises to remedy such emergency at the Landlord's sole risk.

**Section 4.5
Assign or Sublet**

Not to assign this Lease, sublet, part with or share possession of the Premises or any part thereof without the prior written consent of the Landlord, such consent not to be unreasonably withheld, delayed or conditioned. Despite the foregoing, the Landlord acknowledges and agrees the Tenant may, without the Landlord's consent, change the Occupant of the Premises, in whole or in part, or sublet or assign this Lease to any of the following (each shall be referred to herein as a "Permitted Transfer" to a "Permitted Transferee"): any provincial or federal (a) governmental agency, (b) ministry, (c) crown corporation,

or (d) department or Person affiliated with the Tenant or its Service Providers, and the Tenant shall be released from all its liabilities and obligations hereunder in the event of an assignment or sublet to a Permitted Transferee. The Landlord specifically acknowledges and agrees that the use or occupation of all or part of the Premises by any Permitted Transferee(s) does not constitute an assignment or sublet and does not require the Landlord's consent. If the Landlord's consent is required for an assignment or sublease, then the Landlord's consent shall be deemed to have been given unless the Landlord notifies the Tenant in writing of the reasons for the Landlord's disapproval within fifteen (15) days of receipt of the request. Notwithstanding anything to the contrary contained in this Lease, the Landlord shall be liable for any loss, damages, costs, and expenses incurred by the Tenant (including solicitors' fees on a substantial indemnity basis) in respect thereof as a result of the Landlord unreasonably withholding or unduly delaying its consent to an assignment, subletting or other transfer proposed by the Tenant hereunder. With respect to any assignment or sublease requiring the Landlord's consent, the Tenant will prepare and provide to the Landlord an assignment of lease or sublease, as the case may be, on the Tenant's standard form, duly executed by the assignee or subtenant, as the case may be.

**Section 4.6
Use of Premises**

To use the Premises for the Contemplated Use and all other uses ancillary thereto in accordance with all applicable Laws. The Landlord hereby represents and warrants that the Building and the Lands are properly zoned for the Contemplated Use.

**Section 4.7
Not to Affect
Insurance**

Not to do or omit or permit to be done or omitted on the Premises anything which shall cause the insurance premiums for the Building to be increased and if the insurance premiums for the Building shall be increased by reason of anything done or omitted or permitted to be done or omitted by the Tenant or anyone permitted by the Tenant to be upon the Premises, the Tenant shall, within five (5) Business Days after receipt of notice from the Landlord setting out in reasonable detail the cause for such increased premiums, pay to the Landlord the amount of such increase.

**Section 4.8
Tenant's
Compliance with
Laws**

To comply with all applicable Laws which relate to the Tenant's use or occupation of the Premises or to the making of any repairs, replacements, additions, changes, substitutions or improvements that relate to such use or occupation by the Tenant.

**Section 4.9
Waste**

Not to do or allow any waste, damage, disfiguration or injury to the Premises or the fixtures and equipment forming a part thereof or permit any overloading of the floors thereof.

**Section 4.10
Nuisance**

Not to use or permit the use of any part of the Premises for any dangerous, noxious or offensive trade or business or cause or permit any nuisance in, at or on the Premises. The Landlord acknowledges and agrees that the Contemplated Use does not contravene this Section.

**Section 4.11
Tenant's Indemnity**

Subject to Sections 5.10(B) and 6.33, the Tenant shall defend, protect, indemnify, and hold the Landlord and the Landlord's agents, officers, directors, employees, and contractors (collectively, the "Landlord Indemnified Parties") harmless against and from any and all injuries, costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties, and demands of any kind or nature (including reasonable solicitors' fees) arising in connection with any and all third party claims arising out of: (a) injuries occurring within the Premises, (b) any intentional conduct or negligence of the Tenant or any Person for whom it is in law responsible, or (c) any breach or default in the performance of any obligation on the Tenant's part to be performed under this Lease. This indemnity does not include the intentional or

negligent acts or omissions of the Landlord or any Person for whom it is in law responsible. This indemnity shall survive termination of this Lease only as to claims arising out of events that occur prior to termination of this Lease.

**Section 4.12
Insurance**

The Landlord acknowledges that Her Majesty the Queen in right of Ontario as represented by the Minister of Government and Consumer Services is self-insured with respect of damage to the Premises and will maintain during the Term coverage with respect to commercial general liability risks as a 'Protected Person' under the Government of Ontario General and Road Liability Protection Program, which is funded by Her Majesty the Queen in right of Ontario. The coverage shall provide limits of at least Five Million Dollars (\$5,000,000.00) per occurrence. Therefore the Landlord shall not require the Tenant to obtain any additional insurance coverage.

**Section 4.13
Exhibiting
Premises**

To permit the Landlord to exhibit the Premises to prospective tenants during Normal Business Hours during the last six (6) months of the Term upon receipt of forty-eight (48) hours' prior written notice.

**Section 4.14
Facilitate Cleaning**

To be responsible for the janitorial for the Premises..

**Section 4.15
Construction Lien**

Not to suffer or permit during the Term hereof any construction liens or other liens for work, labour, services or materials ordered by it or for the cost of which it may be in any way obligated, to attach to the interest of the Landlord in the Premises or the Lands, and that whenever and so often as any claim for lien is received by the Tenant or registered on title to the Lands, the Tenant shall, as soon as reasonably possible on the earlier of receiving notice of the claim or registration, procure the discharge or vacate thereof by payment or by giving security or in such other manner as is or may be required or permitted by law.

**Section 4.16
Landlord's Rules
and Regulations**

To comply with all applicable reasonable rules and regulations for the Building as may be established by the Landlord from time to time and acceptable to the Tenant, acting reasonably, provided that the Landlord shall first furnish such rules and regulations, in writing, to the Tenant, and provided further that such rules and regulations do not discriminate against nor prohibit the Tenant or Occupant from operating its business in the Premises, nor result in increased direct or indirect costs to the Tenant.

**ARTICLE 5
LANDLORD'S
COVENANTS**

The Landlord covenants with the Tenant as follows:

**Section 5.1
Quiet Enjoyment**

For quiet enjoyment.

**Section 5.2
Landlord's Taxes**

To pay, subject to the provisions of this Lease, all Landlord's Taxes as and when same become due.

**Section 5.3
Services and
Facilities**

To provide and operate the following services and facilities for the Premises as expressed below, at the Landlord's expense, and maintain at the Landlord's expense, such services and facilities in good repair (and, if necessary, replace same) during the Term and provide day-to-day operation and management of the Building:

(a) **Utility Systems**

All utility systems and facilities including water, fuel and electricity, and including all charges for Utilities used or consumed within the Premises.

(b) **Electrical Systems/Lenses, Bulbs and Related Equipment**

An electrical system which is satisfactory for the Tenant's purposes including fixtures and outlets together with the initial installation and ongoing replacement of bulbs, fluorescent tubes and ballasts during the Term, and all maintenance and parts thereof, as more particularly set out in Schedule "D" attached hereto and maintenance of all lighting fixtures.

(c) **Thermal Conditions and Air Quality**

A heating, ventilation and air-conditioning system (including humidification) which is satisfactory for the Tenant's purposes, as more particularly set out in Schedule "E" attached hereto.

(d) **Water System**

A water system capable of supplying hot and cold water to the Premises and the washrooms serving the Premises.

(e) **Washrooms**

Fully equipped washroom facilities for male and female employees of the Tenant in accordance with the requirements established by the *Occupational Health and Safety Act*, R.S.O. 1990, c.0.1, as amended, and the regulations made thereunder, or any successor act, an accessible male and female washroom installed in accordance with the requirements of the *Building Code Act, 1992*, S.O. 1992, c. 23, as amended, the ODA, the AODA, and any other applicable Laws and requirements of any relevant Authority, and the provision of all washroom equipment and supplies reasonably necessary, in the opinion of the Tenant, for the use and operation of such washroom facilities, including, without limitation, a sink, vanity, toilet bowl, paper towel dispenser, garbage pail, soap dish and toilet paper dispenser.

(f) **Exterior, Common Areas**

Maintenance of the exterior of the Building, the landscaped grounds of the Lands, the Parking Areas and walkways of the Building and the Common Areas and Facilities of the Building in good repair and first-class condition and the prompt removal of debris, snow and ice from access and exiting routes, walkways and parking lots.

(g) **Security, Screening and Emergency Management**

(i) Establishment of a workable emergency evacuation program and a security management plan for the Building in accordance with the Landlord's standard practice, which shall, as a minimum, be similar to that which would be established by a reasonably prudent owner of a similar building, having regard to the size, age and geographical location of the Building.

(ii) Establishment of a fire safety plan which has been prepared, approved and implemented in accordance with the *Fire Protection and Prevention Act*, 1997, S.O. 1997, c. 4 and all applicable regulations and Laws (the "Fire Safety Plan". The Landlord shall ensure the Fire Safety Plan is regularly updated in order to comply with all Laws. The Landlord shall provide a copy of the Fire Safety Plan to the Tenant upon receiving the Tenant's written request, within five (5) Business Days.

(iii) Upon receiving the Tenant's written request, a workable emergency evacuation program and a security management plan, or related program or plan, for the Building shall be established by the Landlord and the Tenant through consultation in good faith. The foregoing program and/or plan shall:

(1) satisfactorily address the Tenant's concerns including, without limitation, compliance with Ontario Government policies, bomb threats, bio-terrorism events, evacuation procedures, searches, lock-up and other threats to the tenants and guests of the Building, and the said plan should deal with security patrols, continuous and up-to-date training of security personnel, surveillance, photo IDs, audits of security systems, periodic meetings between tenants of the Building and security personnel, CPIC checks on all security and janitorial personnel and any other Persons who have access to the Premises, and security management of the Building (including the mailroom, loading docks, receiving, and shipping areas),

(2) include provision for accessible emergency signage, areas of safe refuge and evacuation protocols for persons with disabilities,

(3) require that the Landlord, and any Person hired by the Landlord: (i) to do work on the Premises; or (ii) who requires access to the Premises to do any work, whether to the Premises or otherwise, undergo security screening checks in compliance with Ontario Government policies,

(4) require that the Person hired by the Landlord to supply janitorial services to the Building be reputable and all its employees be bonded, and

(5) be submitted for review to the Ontario Infrastructure and Lands Corporation, Real Estate Management, as restructured or renamed from time to time.

(iii) The Tenant shall be permitted to install and/or implement, at its expense, such additional security or emergency management measures to the Premises as it deems necessary or advisable, acting reasonably, or in accordance with Ontario Government policies, and the Landlord shall cooperate with the Tenant in the installation or implementation of same. Alternatively, the Tenant may at its option, permit the Landlord to install and/or implement, at the Tenant's expense, such additional security or emergency management measures to the Premises pursuant to written notice thereof to the Landlord. In addition, the Landlord shall, wherever possible and from time to time, install and/or implement such additional security or emergency management measures as the Tenant, acting reasonably, or in accordance with Ontario Government policies, and in consultation with the Landlord, deems necessary or advisable with respect to the Common Areas and Facilities of the Building.

(h) **Glass Replacement**

Prompt replacement in case of breakage, of all plate glass and other glazing materials of the Building, including without limitation, that which demises the Premises, with material of the same kind and quality as that which may be damaged or broken, save where such damage or breakage has been occasioned by the Tenant, its servants or agents.

(i) **Janitorial Services**

Janitorial service for the Building, but excluding the Premises, which shall be the responsibility of the Tenant, at a standard equivalent to or exceeding the specifications set out in Schedule "L" attached hereto, including waste management, the provision of waste removal services and all cleaning materials and washroom supplies. Such services shall be subject to the restrictions set forth in Subsection 5.3(g) above.

**Section 5.4
Access and
Accessibility**

To permit the Tenant, its agents, invitees and those having business with any or all of them, full and uninterrupted access to the Building seven (7) days per week twenty-four (24) hours per day during the Term, including access for persons with disabilities.

The Landlord acknowledges the Tenant's legislated mandate to identify and remove barriers to access for persons with disabilities and to comply with good accessibility practices and standards in order to achieve full accessibility for Ontarians with disabilities.

The Landlord shall ensure that the Building, Lands and the Premises are in compliance with the ODA, the AODA, all regulations made thereunder, including without limitation O.Reg. 429/07 made under the AODA, and all Ontario Government policies, standards and guidelines.

The Landlord covenants and agrees to provide all services and facilities required to be provided by it hereunder (including without limitation, light, water, fuel, electricity, plumbing, heating, ventilation and air-conditioning) during Normal Business Hours and to permit the Occupant to make its own arrangements with the Landlord for the provision of such services and facilities outside of Normal Business Hours, including invoicing and payment of the charges therefrom.

**Section 5.5
Repair**

To maintain the Premises, including the Leasehold Improvements, the Building and the Structure, in good repair and tenantable condition during the Term and make good any defect or want of repair and/or replacement promptly upon notice thereof with a minimum of disruption to the Tenant's business and in compliance with Subsection 5.3(g) above.

**Section 5.6
Telephone
Installation and
Communications
Systems**

To permit the Tenant to effect the installation of telephone, teletypewriter ("TTY") and inter-communication apparatus in the Premises as per the Tenant's requirements. The Building is to have the facilities as set out in Schedule "J" attached hereto.

**Section 5.7
Tenant
Improvements**

The Tenant may tender for and complete, at the Tenant's sole cost and expense, such interior non-structural Leasehold Improvements to the Premises as the Tenant may consider necessary from time to time during the Term or any extension thereof, in accordance with Schedule "H" attached hereto without obtaining the Landlord's consent. Despite the foregoing, no Leasehold Improvements shall be made to the Building or the Structure unless the Tenant has obtained specific

approval from the Landlord therefor, such approval not to be unreasonably withheld or unduly delayed.

Notwithstanding anything in this Lease (including Schedule "H") to the contrary, the Landlord hereby acknowledges and agrees that where applicable Laws require the Tenant to construct, alter and/or remove certain Leasehold Improvements in or about the Premises or to the Structure, the Landlord's consent and approval to such construction, alteration and/or removal shall be deemed to have been given.

**Section 5.8
Landlord
Improvements**

- (A) To complete the Landlord's Work in accordance with Schedule "I" attached hereto, on or before the Scheduled Delivery Date. In the event the Landlord fails to perform or complete its obligations under this Section 5.8(A) by the Scheduled Delivery Date, the Tenant shall, by written notice, notify the Landlord, and then the Landlord shall have thirty (30) days to remedy any deficiencies. In the event the Landlord fails to comply, then the Tenant may either terminate this Lease, without prejudice to the Tenant claiming damages against the Landlord for all costs and expenses arising out of the Landlord's failure as aforesaid or, at the Tenant's sole discretion, the Tenant may complete such obligations, and deduct the reasonable cost together with an administrative fee equal to fifteen (15%) percent thereof from the Annual Rent, or other amounts payable by the Tenant to the Landlord.
- (B) That, unless the Landlord fully complies with the terms and conditions set out below, at no time during the Term shall it commence any further construction or alterations to the Building which will have the effect of:
- (a) altering any part of the Structure which would materially and/or detrimentally affect the Tenant's access, use and enjoyment of the Premises;
 - (b) interfering with the business operations of the Tenant;
 - (c) interfering with ingress to or egress from the Premises;
 - (d) causing noise or other nuisances which might interfere with the Tenant's business operations; or,
 - (e) changing the location, shape or dimensions of the Premises;

unless the Tenant otherwise consents, the Tenant's consents, the Tenant's consent therefor with respect only to subsections (b), (c) and (d) hereof not to be unreasonably withheld.

In the event that the Landlord intends to commence any construction relating to subsections (a)-(e) inclusive outlined in this Section 5.8, in or around the Building at any time during the Term, such construction shall be subject to the following terms and conditions:

- (i) the Landlord shall deliver written notice to the Tenant, including complete and detailed plans and specifications of the planned construction, at least six (6) months prior to the commencement of construction. In the event that the planned construction is intended to occur within the first six (6) months of the Term, the Landlord shall deliver such notice, including the complete and detailed plans and specifications, to the Tenant as soon as possible;

- (ii) the Landlord must receive the prior written approval of the Tenant and of any required Authorities;
- (iii) all construction must be completed promptly and in a good and workmanlike manner, and must not interfere with the use of the Premises or any part thereof by the Tenant and wherever possible, must be completed outside of Normal Business Hours, unless the Tenant agrees otherwise;
- (iv) all Utilities and other base building systems must continue to be fully operative during any period of construction and the Landlord shall be responsible for any damages or costs incurred by the Tenant to the extent caused or contributed to by any interruption of such Utilities or systems;
- (v) in the event of any interference, the Annual Rent payable hereunder shall be equitably abated (as determined by the Tenant acting reasonably) based on the degree of interference with the Tenant's business operations or with the Tenant's ingress to or egress from the Premises; and,
- (vi) compliance by the Landlord with the Class EA Requirements (as defined in Schedule "I" attached hereto).

**Section 5.9
Energy
Conservation**

The Landlord acknowledges the Tenant's mandate to conserve energy and water and agrees, whenever possible, to cooperate fully with the Tenant in achieving its conservation targets. The Landlord covenants and agrees to provide the Tenant, annually, with written evidence demonstrating the implementation of energy efficient systems/plans in place in the Building. The Landlord further covenants and agrees to adhere as closely as possible to the energy conservation procedures set out in Schedule "G" attached hereto.

**Section 5.10
Indemnity &
Release**

- (A) Subject to Section 6.33, the Landlord shall defend, protect, indemnify, and hold the Tenant and the Occupant and their respective agents, officers, directors, employees, contractors, parents, Service Providers, subsidiaries, successors and assigns (collectively, the “Tenant Indemnified Parties”) harmless against and from any and all injuries, costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties, and demands of any kind or nature (including reasonable solicitors' fees) by or on behalf of any person, entity, or governmental authority occasioned by or arising out of (i) injuries occurring in the Common Areas and Facilities or any other portion of the Building outside the Premises, (ii) any intentional conduct or negligence of the Landlord or any Person for whom the Landlord is in law responsible, (iii) any breach or default in the performance of any obligation on the Landlord's part to be performed under this Lease, or (iv) the failure of any representation or warranty made by the Landlord herein to be true when made. This indemnity does not include the intentional or negligent acts or omissions of Tenant or any Person for whom it is in law responsible. This indemnity shall survive termination of this Lease only as to claims arising out of events that occur prior to termination of this Lease.
- (B) Notwithstanding anything in this Lease to the contrary, the Tenant and Occupant shall not be liable to the Landlord or to any insurance company (by way of subrogation or otherwise) insuring the Landlord, for: (i) any loss of profit or consequential loss that is indirect or not reasonably foreseeable, or (ii) any loss or damage to the Building, Structure or other tangible property, or any resulting loss of income and benefits, even though such loss or damage might have been occasioned by the negligence of the Tenant or any Person for whom the Tenant is at law responsible, if any such loss or damage is covered by insurance maintained or required to be obtained by the Landlord pursuant to this Lease. Landlord shall require its insurance company to include a waiver of subrogation provision in its policies in order to implement this Section 5.10(B).

**Section 5.11
Compliance with
Laws**

To comply with all Laws which relate to the Building or to the use or occupation thereof or to the making of any repairs, replacements, additions, changes, substitutions or improvements of or to the Building or any part thereof. The Landlord agrees not to bring or commence any application with the respective Authority that would materially, adversely change the respective use of the Premises and Lands, or the zoning of the Lands, without the Tenant's prior written consent.

**Section 5.12
Insurance**

At all times throughout the Term, the Landlord shall obtain and maintain in full force and effect with respect to the Building and the Lands, against such occurrences and in such amounts, on such terms and with such reasonable deductible(s) as would a reasonably prudent owner of a similar project, insurance, with insurers having a secure A.M. Best rating of B+ or greater, including, without limitation:

- (a) broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of all Leasehold Improvements, contents and of all boilers, pressure vessels, air-conditioning equipment and miscellaneous apparatus owned or operated by the Landlord or by Persons on behalf of the Landlord in the Building and on the Lands;

- (b) "all risks" insurance (including flood and earthquake) on the Building (including the foundations and excavations and other parts of the Structure) and the equipment contained in or servicing the Building and on the Lands, in an amount at least equal to the full replacement cost thereof, insuring all property of the Landlord, property for which the Landlord is legally liable or property installed by or on behalf of the Landlord and the Leasehold Improvements;
- (c) commercial general liability insurance including personal injury, broad form contractual liability, owners' and contractors' protective, employers' liability and voluntary compensation, medical payments, non-owned automobile liability, all coverages with respect to the Building, the Lands and the use of the Common Areas and Facilities. Such policies shall be written on a comprehensive basis with inclusive limits of not less than Ten Million Dollars (\$10,000,000.00) per occurrence or such higher limits as the Tenant may reasonably require from time to time; and
- (d) such other forms of insurance and in such amounts and on such terms as would be carried by a reasonably prudent owner of a similar project.

The insurance policies described in subparagraphs (a) and (b) above shall contain a waiver of any subrogation rights which the Landlord's insurer may have against the Tenant and any Person for whom the Tenant is at law responsible, whether the damage is caused or contributed to by their act, omission or negligence. The Landlord's insurance policy described in subparagraph (c) above shall name the Tenant and the Tenant's representative, the "Ontario Infrastructure and Lands Corporation", as an additional insured only in respect of the Lands and Building or as its interest may appear, and shall contain cross-liability and severability of interest clauses. None of the policies shall be invalidated as respects the interest of the Tenant, or any Person for whom the Tenant is at law responsible, by reason of any breach or violation of any warranties, representations, declarations or conditions contained in the policies. All of the policies shall contain an undertaking by the insurers to notify the Tenant in writing not less than thirty (30) days prior to any material change, cancellation or termination. If requested by the Tenant, the Landlord agrees to deliver certificates of insurance of the underwriting insurance company or complete certified copies of policies to the Tenant within thirty (30) days after the placing of the required insurance. No review or approval of such insurance documentation by the Tenant shall derogate from or diminish the Tenant's rights or the Landlord's obligations as contained in this Lease.

**Section 5.13
No Environmental
Contaminants**

- (A) To use its continuing effort throughout the Term to ensure that no part of the Building, the Premises or Lands contains any Environmental Contaminants or is used, without limitation, (either by the Landlord or all other tenants in the Building), to generate, manufacture, refine, treat, transport, store, handle, dispose of, transfer or produce any Environmental Contaminants, except in strict compliance with all Environmental Laws. For the purpose of this Article 5, an Environmental Contaminant is deemed not to comply with Environmental Laws if, in the reasonable opinion of the Tenant's environmental consultant or engineer, such Environmental Contaminant poses a health risk to the Tenant, the Tenant's employees, or any Person in or about the Building, the Lands or the Premises.

- (B) To test the water quality and air quality in the Premises and the Building regularly, and in any event, at least annually, to ensure that they meet the standards for water quality and air quality prescribed by applicable Laws and provide the Tenant with copies of such testing or inspections. The cost of such testing shall be (unless the testing reveals that the Building or Lands contain any Environmental Contaminants which are the Landlord's responsibility under this Lease and such Environmental Contaminants do not strictly comply with all Environmental Laws, in which case such testing shall be at the Landlord's sole cost and expense).
- (C) To have the Building inspected regularly (and in any event, annually) by an independent accredited environmental consulting firm approved by both parties acting reasonably, for evidence of Environmental Contaminants (including, without limitation, mould) or water damage in the Building. The Landlord shall provide the Tenant with a copy of the results of such inspections, together with any reports prepared in conjunction with such inspections. The conditions causing mould (such as water leaks, condensation, infiltration, or flooding) should be corrected promptly to prevent mould from growing in the Building or any part thereof. If any mould or other Environmental Contaminant is detected or discovered during such inspections, the Landlord shall promptly comply with its obligations under Section 5.14 hereof. The cost of such inspections shall be (unless they reveal that the Building or Lands contain any Environmental Contaminants which are the Landlord's responsibility under this Lease and which do not strictly comply with all Environmental Laws, in which case such testing shall be at the Landlord's sole cost and expense).

**Section 5.14
Environmental
Contaminants**

To remove, clean up or manage as necessary and advisable, in the reasonable opinion of the Tenant's environmental consultant or engineer, at the Landlord's sole cost and expense, any Environmental Contaminant located on, under or in the Building, the Premises or the Lands, whether or not known to the Landlord as of the date of execution of this Lease, and whether or not resulting from any act, omission, or negligence of the Landlord or any Person for whom it is in law responsible (save and except for those Environmental Contaminants used, manufactured, stored, released or disposed of by the Tenant or those for whom it is in law responsible, which shall remain the Tenant's responsibility and such Environmental Contaminants shall be remediated by the Tenant at its sole cost and expense), in a manner that complies with all Environmental Laws or other applicable Laws, to remediate any damage and eliminate any potential risk to persons, property or the environment as a result of the presence of such Environmental Contaminant. The Landlord shall use its best efforts to minimize direct and indirect impact on the Tenant during all activities related to such remediation. If any such Environmental Contaminant is not removed or managed forthwith by the Landlord (and in any event, within twenty (20) days after Landlord's discovery or notification of such Environmental Contaminant), the Tenant shall be entitled, but not required, to remove or manage the same on the Landlord's behalf, and the Landlord shall reimburse the Tenant for the cost thereof. If the Landlord fails to reimburse the Tenant for such cost within ten (10) days of the Tenant's written request for reimbursement, the Tenant shall, without limiting its other rights and remedies, deduct the costs of such remediation from the Annual Rent payable under this Lease.

In the event that there shall now or in the future exist any Environmental Contaminant in, on or under the Premises, the Building

or the Lands (not caused by the Tenant) that materially and adversely affects the Tenant's use of or operations from the Premises or access to the Premises, the Tenant's construction of its Leasehold Improvements or the Tenant's use of the Common Areas and Facilities (collectively "Interference"), then, (a) in such event, Annual Rent and all other charges payable under this Lease shall be equitably abated in proportion to the effect and duration of the Interference on the Tenant's operations, as determined by the Tenant acting reasonably, (b) if the Tenant, in its sole discretion, decides to cease operating in the Premises, then all Annual Rent and all other charges payable under this Lease shall abate until the date on which the Tenant is reasonably able to operate from the Premises without any Interference, (c) if such Interference occurs prior to the Commencement Date, then the Commencement Date shall be extended by one (1) day for each day of Interference, (d) if such Interference continues for more than ninety (90) consecutive days, the Tenant may terminate this Lease, in which event the Landlord shall pay to the Tenant within twenty (20) days of the date of the Tenant's vacating the Premises an amount equal to the unamortized portion (based on straight-line amortization over the Initial Term) of the Tenant's construction costs incurred in connection with the Premises. The Tenant's termination of this Lease by reason of the Landlord failing or being unable or unwilling to clean up the Environmental Contaminant as aforesaid within such ninety (90) day remediation period, shall be without prejudice to the Tenant's right to claim for damages against the Landlord arising out of such inability, failure or refusal as aforesaid. The foregoing right shall survive the termination of this Lease.

**Section 5.15
Notification of
Environmental
Contaminants**

- (A) To notify the Tenant in writing immediately in the event that the Landlord receives notice of any violation of any Environmental Law or that any order of an administrative tribunal or any Authority is made or is proposed to be made against the Landlord in respect of any Environmental Contaminant in, on or near the Lands or Building, and to notify the Tenant immediately of any discharge, release or discovery of any Environmental Contaminant which does not comply with Environmental Laws, in or under any part of the Building or Lands.
- (B) The Landlord represents and warrants that all information in the Landlord's possession or control relating to the existence, use, storage or release of a Environmental Contaminant in, under, on or about the Premises, the Building or the Lands including, without limitation, all sampling data, environmental studies or reports, environmental site assessments and historical use reviews, have been provided to the Tenant.
- (C) Under the provisions of the "Ministry of Infrastructure Public Work Class Environmental Assessment (Office Consolidation)", as approved and ordered April 28, 2004, by Order-in-Council No. 913/2004, and amended on September 11, 2009 and on October 31, 2012, as approved, amended, or renewed from time to time by the Minister of the Environment pursuant to section 14 of the Environmental Assessment Act, R.S.O. 1990, c. E.18, the Tenant is obliged to consider the potential for Environmental Contaminants in respect of the Premises. In doing so, the Tenant may require evidence that the Lands and Building do not contain Environmental Contaminants prior to taking possession of the Premises. In such event, the Landlord shall: (i) conduct, at the Landlord's sole cost and expense and on behalf of the Tenant, such tests as would a reasonable and prudent buyer of the Lands and Building having regard to the environmental history of the

Lands and Building and the Contemplated Use (the "Tests"), and (ii) provide the Tenant with a copy of the results of the Tests, together with any test reports prepared in conjunction with the Tests. The Tests shall be conducted by an independent accredited environmental consulting firm approved by both parties acting reasonably. If the Tests reveal the existence of any Environmental Contaminant in, under, on or about the Premises, the Building or the Lands, Landlord shall promptly comply with its obligations under Section 5.14.

**Section 5.16
Warranties**

- (A) The Landlord: (i) represents and warrants that there has not been and is not now, and (ii) covenants to ensure that there will not be, at any time during the Term, any Environmental Contaminant ("Environmental Contaminant" includes any hazardous or toxic substances or materials, including without limitation, mould, products of waste, contaminants, pollutants, dangerous substances, noxious substances, toxic substances, hazardous wastes, flammable, explosive or improperly handled friable materials including mould, asbestos, PCBs and substances or any other materials declared or defined to be hazardous, toxic, contaminant or pollutant in or pursuant to any law of any Authority) located, stored, manufactured, refined, disposed of, produced, processed or incorporated in or on any part of the Building or the Lands, except in accordance with Section 5.13 of this Lease. In the event that there is any Environmental Contaminant in the Premises, the Building, or on the Lands, which is not handled in accordance with Section 5.13 of this Lease, the Tenant may terminate this Lease if the Landlord is unwilling or unable to cleanup or decommission such within a reasonable time of becoming aware of such Environmental Contaminant.

The Tenant's termination of this Lease by reason of the Landlord failing or being unwilling to clean up the Environmental Contaminant shall be without prejudice to the Tenant's right to claim for damages against the Landlord arising out of such failure or refusal as aforesaid.

The Landlord warrants and represents that, to the best of its knowledge, the Building, including the Premises, and the Lands are in material compliance with all applicable Environmental Laws, including those relating to hazardous substances as defined in or pursuant to Environmental Laws in force as of the date of the Agreement to Lease.

The Landlord acknowledges and agrees that the Tenant is relying on the representations, warranties and covenants in Sections 5.13, 5.14, 5.15, 5.16, 5.17 and 5.18 hereof in entering into this Lease.

- (B) The Landlord further represents and warrants that as of the Commencement Date and throughout the Term and any extension thereof, all Mechanical and Electrical Services and equipment serving the Premises are and will be in good working order and condition and satisfactory for the carrying on of the Tenant's business in and from the Premises.
- (C) The Landlord further covenants and agrees that as of the Commencement Date: (i) there shall not be any by-laws (the "By-Laws"), including, without limitation, any restrictive covenants, development agreements, zoning or other ordinances

or regulations of any Authority which will prevent the Tenant from conducting its business operations in and from the Premises in accordance with this Lease, (ii) the Landlord shall have complied with all such By-Laws in connection with the construction of the Building and every part of the Premises, and (iii) all such By-Laws shall have permitted the erection and shall permit the continual operation of the Building and every part of the Premises, in accordance with this Lease. In the event that any of the By-Laws prohibit or prevent the Tenant from using any part of the Premises for the Contemplated Use, the Tenant may, on thirty (30) days' prior written notice, terminate this Lease, without prejudice to the Tenant's rights to claim for damages against the Landlord arising out of any By-Law prohibiting or preventing the Tenant's use of the Premises as aforesaid.

- (D) The Landlord represents and warrants that the Building, including the Premises, the Structure and the Common Areas and Facilities: (i) meet and comply with all federal, provincial and local Laws including, without limitation, all accessibility laws, standards, regulations and other provincial accessibility guidelines including, without limitation O.Reg. 429/07 made under the AODA, O.Reg. 350/06 of the *Building Code Act, 1992*, S.O. 1992, c. 23, as amended, and (ii) are in good, sanitary order, condition and repair at delivery of the Premises to Tenant.
- (E) The Landlord further represents and warrants that it owns the Building and the Lands or otherwise has an interest therein enabling it to enter into this Lease with the Tenant and no additional signatories or consents are required to make this Lease binding and fully enforceable. The Landlord will provide the Tenant with written verification of its ownership of or other interest in the Premises prior to the Commencement Date.

Subject to Section 6.33, the Landlord shall indemnify and hold the Tenant Indemnified Parties harmless from any and all injuries, costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties and demands of any kind or nature (including reasonable solicitors' fees) if the representations and warranties in this Section 5.16 or elsewhere in this Lease prove to be untrue, without limiting the Tenant's rights and remedies under Section 6.11 or at law.

**Section 5.17
Asbestos**

Notwithstanding anything to the contrary contained in this Lease, at all times, including, but not limited to, any times during which either the Landlord or the Tenant are making any Leasehold Improvements or other improvements, additions or renovations in or about the Premises or the Building, or at any times when any maintenance or repairs of any kind are being carried out in or about the Premises or the Building, the Landlord agrees to comply with the provisions of *Ontario Regulation 278/05, "Designated Substance – Asbestos on Construction Projects and in Buildings and Repair Operations"* (the "Regulation") and the Environmental Laws. Failing such compliance by the Landlord, the Tenant may, at the Tenant's sole option, on twenty (20) days' prior written notice to the Landlord, take all reasonable measures, at the Landlord's sole cost and expense, to complete the work required to comply with the Regulation and the Environmental Laws, to deduct the costs and expenses incurred thereby from the Rent and to recover the balance, if any, after such deduction, from the Landlord. The Landlord shall in no case withhold its consent to the making of any Leasehold Improvements to the Premises by the Tenant because of the cost to it of compliance with this Section.

The Landlord hereby represents and warrants that the Building has no asbestos containing material (as defined in the Regulation) except as

indicated in Schedule "C" attached hereto. If any asbestos containing material is discovered in the Premises during Tenant's inspection of the Premises or construction by the Landlord or the Tenant of any Leasehold Improvements, then Landlord shall promptly remove the asbestos containing material, or cause it to be removed at Landlord's sole cost and expense within a reasonable time after such discovery and if the foregoing delays the construction or installation of the Tenant's Leasehold Improvements, then the Commencement Date shall be extended for one (1) day for each day of delay. If the Landlord is unable or fails to comply with the foregoing obligation to remove asbestos containing material within twenty (20) days, without limiting the other rights and remedies available to the Tenant, the Tenant may, without further notice, exercise its remedies set out in Section 5.14.

**Section 5.18
Environmental
Indemnity**

Subject to Section 6.33, the Landlord shall protect, indemnify and hold harmless the Tenant Indemnified Parties from and against any and all loss, damage, cost, expense, or liability arising out of or attributable to: (a) the existence, use, generation, manufacture, production, storage, release, threatened release, discharge, disposal or the presence of an Environmental Contaminant on, under or about the Premises, the Building or the Lands (or off-site on property owned or operated by the Landlord that affects the Premises), except if such loss, damage, cost, expense or liability is directly related to the use, manufacture, storage, release or disposal of an Environmental Contaminant on or about the Premises, the Building or the Lands by the Tenant, its agents, contractors, employees or those for whom the Tenant is in law responsible, or (b) a breach of any representation, warranty, covenant or agreement contained in this Article 5. The foregoing indemnity includes, without limitation, the costs of any required or necessary repairs, cleanup or detoxification of the Premises and the preparation and implementation of any closure, remedial or other required plans. This indemnity shall survive the termination of this Lease. In the event of any governmental or court order concerning Environmental Contaminants on or about the Premises, the Building or the Lands (not caused by the Tenant) that precludes the Tenant from reasonable operation of its business on the Premises, or materially interferes with the Tenant's enjoyment of the Premises or the operation of its business on the Premises, and such governmental or court order is not resolved within three (3) months from the date of the order, the Tenant may, without limiting the other rights and remedies available to the Tenant, terminate this Lease.

**Section 5.19
Additional Services**

- (a) If the Tenant reasonably requests any Additional Services to be performed in or relating to the Premises, it shall so advise the Landlord in writing. The cost of the Additional Services shall be agreed upon between the Landlord and Tenant prior to the Landlord commencing the provision of the Additional Services and shall be competitive with other suppliers providing similar services to similar buildings. Once the costs have been agreed to, the Landlord shall, as soon as reasonably possible, perform or provide any such Additional Services. However, the Landlord shall not be required to provide such Additional Services, if to do so would:
- (i) seriously interfere with the reasonable enjoyment of the other tenants of their respective premises or the Common Areas and Facilities;
 - (ii) jeopardize or impede the Landlord's financing of the Building and/or Lands; or

- (iii) cause the Building or its services and Common Areas and Facilities not to be of the Building standard.
- (b) For Leasehold Improvements the Landlord must adhere to the provisions of Schedule "I" attached hereto. If the Tenant disputes or contests the calculation of any cost or expense incurred by the Landlord or on the Landlord's behalf in performing or providing such Additional Services as set out in the Landlord's invoice therefor, it shall notify the Landlord and the Landlord shall, upon receipt of such notice, have its senior financial officer prepare a statement of calculation with respect to such Additional Services which shall be delivered to the Tenant within ten (10) days of the Tenant's request therefor. Any further dispute shall be submitted to arbitration in accordance with Section 6.13 of this Lease.

**Section 5.20
Consent and
Approval**

That the Landlord and each Person acting for or on behalf of the Landlord making a determination, designation, calculation, estimate, conversion or allocation or in giving an approval or consent under this Lease, will act reasonably, promptly and in good faith and each accountant, architect, engineer or surveyor, Service Provider or other professional Person employed or retained by the Landlord will act in accordance with the applicable principles and standards of that Person's profession.

**Section 5.21
Waste Management
and Recycling
Program**

To cooperate with the Tenant's waste management and recycling program, pursuant to the provisions set out in Schedule "F" attached hereto. This section shall only apply to the extent that there is a recycling program within the municipality where the Building is located.

**Section 5.22
Parking**

To provide and maintain six (6) reserved parking spaces (the "Parking Spaces") designated for the exclusive use by the Tenant, the Occupant or their servants or agents, located in the Parking Areas, at no cost to the Tenant.

The Landlord agrees to enforce all rules and regulations relating to the Parking Areas and to ensure that the Tenant has free and uninterrupted use thereof.

**Section 5.23
Landlord Transfer**

The Landlord shall designate at least the minimum number of the parking spaces comprising the Parking Areas for the sole and exclusive use of people with disabilities as prescribed by the relevant Authority. The Landlord will not allow or cause a Landlord Transfer, without giving prior written notice to the Tenant. In addition, if the Tenant leases and/or occupies seventy-five (75%) percent or more of the Rentable Area of the Building, the Landlord will not allow or cause a Landlord Transfer without obtaining the prior written consent of the Tenant, which consent may not be unreasonably withheld or unduly delayed. If the Tenant's consent is required hereunder, within fifteen (15) days after having received the Landlord's notice and all the information it reasonably requires, the Tenant will notify the Landlord in writing either that the Tenant consents or does not consent to the Landlord Transfer. The Landlord acknowledges that the factors governing the granting of the Tenant's consent to any Landlord Transfer may include, without limitation, the financial background, business history and the capability of the proposed Landlord Transferee to perform the obligations of the Landlord under this Lease, and the nature of the business practices of the proposed Landlord Transferee. In the event of a Landlord Transfer and to the extent that the Landlord Transferee assumes the covenants and obligations of the Landlord hereunder in writing directly with the Tenant, the Landlord

shall, thereupon and without further agreement, be freed and relieved of all liability with respect to such covenants and obligations.

**Section 5.24
Landlord to
Communicate
Directly with
Tenant**

The Landlord shall direct and require all of its directors, officers, employees, agents and duly authorized representatives to communicate only with Ontario Infrastructure and Lands Corporation or, if so directed, its Service Provider, in respect of any matters relating to this Lease and shall not, under any circumstances save and except regarding parking arrangements or emergencies requiring immediate access into the Premises, allow or permit its directors, officers, employees, agents and duly authorized representatives to communicate with any Occupant of the Premises in any manner whatsoever at any time during the Term.

**Section 5.25
Conflict of Interest**

The Landlord and any of its successors, administrators, permitted assigns, directors, officers, employees, agents, servants, and representatives shall not engage in any activity where such activity creates a conflict of interest, actual or potential, in the sole opinion of the Tenant, with the Lease or the exercise of any of the rights or obligations of the Landlord hereunder. The Landlord shall disclose to the Tenant in writing and without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.

For clarification, a "conflict of interest" means, in relation to the performance of its contractual obligations pursuant to this Lease, the Landlord's other commitments, relationships or financial interests that (a) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgment, or (b) could or could be seen to compromise, impair or be incompatible with the effective performance of its contractual obligations pursuant to this Lease.

**ARTICLE 6
PROVISOS**

**Section 6.1
Overholding**

If the Tenant remains in possession of the Premises after the date fixed for the expiration of the Term (the "Expiration Date") without any further written agreement, the Tenant shall be deemed to be a tenant for a fixed term of six (6) months from the Expiration Date (the "Overholding Period") upon the terms and conditions contained in this Lease, except as to the length of the Term and the monthly rental rate payable during such six (6) month period which shall be one hundred (100%) percent of the monthly rental rate payable by the Tenant during the last month of the Term of this Lease. The parties further agree that during the Overholding Period, the Tenant shall have the right to cancel the Lease at any time, by giving the Landlord no less than thirty (30) days prior written notice of cancellation.

**Section 6.2
Trade Fixtures and
Furniture**

- (a) The Tenant may at any time during the Term or extension or early termination thereof, remove or replace any Trade Fixtures installed by or on its behalf in the Premises or install new Trade Fixtures therein.
- (b) The Tenant will compensate the Landlord for any damage caused to the Premises by the removal of Trade Fixtures.
- (c) The Tenant shall have the continuous right during the Term or any extension thereof to move in or out of the Premises any of its furniture, personal effects, chattels and any business equipment.

**Section 6.3
Signs**

- (a) The Tenant may erect such signs on the Premises and Lands in accordance with the Building standard and in accordance with municipal laws, as it considers necessary for the proper conduct of its business.
- (b) All such signs may be removed from the Premises at the end of the Term or any extension thereof.
- (c) The Tenant shall compensate the Landlord for any damage caused to the Premises or Building, if applicable, by the removal of signs, save and except that caused by local weather and ambient conditions.
- (d) The Landlord shall provide adequate space on the directory of the Building and that of each floor of the Premises and on any pylon sign of the Building for the Tenant's signage requirements, which signage may be required to be in both the English and French languages. The Tenant shall provide the Landlord with the specifications of its signage requirements before the Commencement Date, and from time to time, as required by the Tenant.

**Section 6.4
Unavoidable Delays**

Notwithstanding anything in this Lease, if either party is bona fide delayed or hindered in or prevented from the performance of any term, covenant, or act required hereunder by reason of strikes or labour trouble, inability to procure materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage; rebellion, war, act of God, or other reason whether of a like nature or not which is not the fault of the party delayed in performing work or doing acts required under the terms of this Lease (but excluding the inability to perform because of financial difficulties or lack of funds), then the performance of that term, covenant or act is excused for the period of the delay and the party delayed will be entitled to perform the term, covenant or act within the appropriate time period after the expiration of the period of the delay. If any of the events or problems referred to in this Section 6.4 occur and either party contemplates that it will be bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason thereof, such party shall forthwith deliver written notice to the other, with full and detailed particulars setting out the nature of such event or problem and the period of the delay contemplated by the party giving notice for the performance of any such term, covenant or act required hereunder.

**Section 6.5
Right-of-Way**

If the Premises are now or hereafter served by any alley, easement or right-of-way, the Tenant, its servants, agents, employees, licensees and invitees shall have full right of ingress and egress over such alley, easement or right-of-way in common with all others entitled thereto.

**Section 6.6
Common Parking**

In the event that all or part of the Parking Areas are available to the tenants of the Building as part of the Common Areas and Facilities then, the Tenant, its employees and invitees shall, in addition to the Parking Spaces as set out further in Section 5.22 herein, be entitled to use the Parking Areas, or any portion thereof, in common with the other tenants of the Building and others entitled to the use thereof.

**Section 6.7
Damage and
Destruction**

If, at any time during the Term, the Building shall be damaged or destroyed, either in whole or in part, by fire or other peril insured against or required to be insured against by the Landlord under Section 5.12 hereof, then, and in every such event:

- (a) If the damage or destruction to the Building is such that, in the opinion of the Architect to be given to the Landlord within

twenty (20) days of the date of the occurrence of such damage or destruction (the "Date of Damage"), the Premises are rendered partially unfit for occupancy or impossible or unsafe for use or occupancy, then the Rent shall abate as of the Date of Damage in proportion to the part of the Premises which is rendered unfit for occupancy or impossible or unsafe for use or occupancy, and Rent will not be payable again until such time as the Premises and the Leasehold Improvements have been fully restored by the Landlord to their condition as of the Commencement Date.

- (b) If the damage or destruction to the Building is such that, in the opinion of the Architect to be given to the Landlord within twenty (20) days of the Date of Damage, the Premises are rendered wholly unfit for occupancy or impossible or unsafe for use or occupancy, or that reasonable or convenient access is prevented thereto, and if, in either event, the damage, in the opinion of the Architect to be given to the Landlord within twenty (20) days of the Date of Damage, cannot be repaired with reasonable diligence within one hundred and eighty (180) days of the Date of Damage, then either the Landlord or the Tenant may terminate this tenancy within twenty (20) days following the date of the giving of the Architect's opinion, upon written notice to the other party, in which event this Lease and the Term hereby demised will cease and be at an end as of the Date of Damage and the Rent shall be apportioned and paid in full to the Date of Damage.
- (c) In the event that neither the Landlord nor the Tenant shall terminate this Lease in accordance with the provisions of Subsection 6.7(b) above, then the Landlord shall repair the Premises, the Leasehold Improvements and the Building with all reasonable speed and the Rent hereby reserved shall abate from the Date of Damage until the date that is the later to occur of the following: (i) the Premises and Leasehold Improvements are restored to their condition as of the Commencement Date, and (ii) reasonable and convenient access is restored thereto.
- (d) If the damage or destruction is such that, in the opinion of the Architect to be given to the Landlord within twenty (20) days of the Date of Damage, the Premises are rendered wholly unfit for occupancy or if it is impossible or unsafe to use and occupy the Premises, or if reasonable or convenient access is prevented thereto and if, in either event, the damage, in the opinion of the Architect to be given within twenty (20) days from the Date of Damage, can be repaired with reasonable diligence within one hundred and eighty (180) days of the Date of Damage, then the Rent shall abate from the Date of Damage until the date the Premises and Leasehold Improvements are restored to their condition as of the Commencement Date, provided that the Landlord shall repair the Premises and the Leasehold Improvements with all reasonable speed.
- (e) The decision of the Architect as to the time within which the damage or destruction to the Premises, the Leasehold Improvements or the Building can or cannot be repaired, the extent of the damage, or the state of tenantability of the Premises, as the case may be, shall be final and binding upon the parties, unless shown to be in substantial error.
- (f) Notwithstanding anything contained in this Section 6.7, if the Landlord does not commence to repair or restore the Premises, the Leasehold Improvements or the Building within fifteen (15)

days of the date of delivery of the Architect's opinion, or, having commenced the repair or restoration of the Premises, the Leasehold Improvements or the Building but does not continue to complete same with reasonable dispatch (and in any event, within one hundred and eighty (180) days of the Date of Damage), the Tenant may terminate this Lease upon fifteen (15) days' prior notice to the Landlord, in which case, this Lease and the Term hereby demised shall cease and be at an end as of the date of such damage or destruction and the Rent shall be apportioned and paid in full to the date of such damage or destruction.

**Section 6.8
Leasehold
Improvements by
Landlord at
request of Tenant**

If so requested by the Tenant, the Landlord agrees to undertake the installation of the Tenant's Leasehold Improvements during the Term or any extension thereof pursuant to the provisions of Schedule "I" attached hereto.

**Section 6.9
Removal of
Leasehold
Improvements**

The Tenant may, but shall not be required to, at any time during the Term, and/or upon any extension and/or expiry or sooner termination thereof, at its sole option, remove or replace any Leasehold Improvements or alterations made or installed in the Premises by it, or by the Landlord pursuant to Schedule "I" attached hereto.

**Section 6.10
Re-Entry**

If the Rent hereby reserved, or any part thereof, shall be in arrears or if the Tenant shall default in the observance or performance of any of the Tenant's other covenants or agreements contained in this Lease, and the Tenant fails to pay such arrears within sixty (60) days of receipt of notice in writing from the Landlord or if the Tenant fails to remedy the non-rental default within sixty (60) days after receipt of notice from the Landlord (or such longer period as is reasonably required under the circumstances so long as the Tenant commences to remedy within such sixty (60) day period), the Landlord may, in addition to any other remedies the Landlord may have, either in this Lease or at law, re-enter the Premises and the Term hereby granted shall thereupon be terminated. Notwithstanding the foregoing, and without limiting the remedies of the Landlord, in the event the Tenant fails to remedy a non-rental default within the above-specified notice period, and provided the Tenant is not bona fide disputing the non-rental default, upon the expiration of the above-specified notice period the Landlord, at its option, acting reasonably, may remedy the non-rental default on behalf of the Tenant and charge the costs thereof to the Tenant.

With respect to any remedy exercised by the Landlord, the Landlord shall have an affirmative obligation to obtain another tenant for the Premises at a fair market rental and to otherwise mitigate its damages.

**Section 6.11
Landlord's Default**

The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by the Landlord: (a) Landlord's failure to do, observe, keep and perform any of the terms, covenants, conditions, agreements or provisions of this Lease required to be done, observed, kept or performed by the Landlord, within thirty (30) days after written notice by the Tenant to the Landlord of said failure (except when the nature of the Landlord's obligation is such that more than thirty (30) days are required for its performance, then the Landlord shall not be deemed in default if it commences performance within the thirty (30) day period and thereafter diligently pursues the cure to completion) or such shorter period of time as is reasonable in the circumstances where a delay may jeopardize the safety of the Building or any tenant, subtenant, occupant or Person therein, or where a delay may result in increased loss or damage to the Premises or the Building or the Tenant's use and enjoyment thereof, (b) the Landlord becomes bankrupt or insolvent or makes application for relief from

creditors under the provisions of any statute for bankrupt or insolvent debtors, or makes any proposal, assignment or arrangement with its creditors, (c) a receiver or a receiver and manager is appointed for all or part of the property of the Landlord, (d) steps are taken or proceedings are instituted for the dissolution, winding-up or other termination of the Landlord's existence or for the liquidation of its assets, or (e) the failure of any representation or warranty to be true when deemed given hereunder. In the event of a default by the Landlord, the Tenant, at its option, without further notice or demand, shall have the right to any one or more of the following remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including solicitors' fees) from the instalments of Annual Rent next falling due, (ii) to pursue the remedy of specific performance, (iii) to seek money damages for loss arising from the Landlord's failure to discharge its obligations under this Lease, and (iv) to terminate this Lease. Nothing herein contained shall relieve the Landlord from its obligations hereunder, nor shall this Section be construed to obligate the Tenant to perform the Landlord's repair obligations.

**Section 6.12
Option to Extend**

- (a) The Tenant shall be entitled to extend this Lease for two (2) further terms of five (5) years each (each an "Extension Term"). Each Extension Term shall be upon the same terms and conditions of this Lease as extended, renewed or amended, as the case may be, except that there shall be no further right of extension beyond the last Extension Term and except for the Annual Rent, which shall for each the Extension Term be based upon: (1) the Rentable Area of the Premises, and (2) the Market Rental as of the date which is six (6) months prior to the commencement of the respective Extension Term. The Annual Rent for each Extension Term shall be determined by mutual agreement as of the date which is six (6) months prior to the expiry of the Term or the previous Extension Term, as the case may be or failing such agreement, by arbitration in accordance with Section 6.13 of this Lease. The Landlord shall provide the Tenant in writing with its proposed Annual Rent for each Extension Term no later than three (3) months prior to the date upon which the Tenant is required to give notice pursuant to subsection (b) below.

- (b) The Tenant shall give written notice to the Landlord of its extension of this Lease at least six (6) months' prior to the end of the Term or the previous Extension Term, as the case may be.

**Section 6.13
Arbitration**

- (A) Mediation

In the event of any dispute between the Landlord and the Tenant with respect to any matters arising under this Lease which cannot be resolved by the parties acting in good faith, then the parties may mutually agree to submit the dispute to mediation in accordance with the following:

- (i) the mediation process shall commence upon the written demand of either party given to the other party;
- (ii) the dispute shall be mediated by a single third party impartial mediator mutually agreed upon by both parties for mediation;

- (iii) each party shall pay its own costs of participating in the mediation, including its respective legal fees, plus one-half (½) of the fees and expenses of the mediator;
- (iv) the mediation shall be concluded as soon as possible, and in any event, within sixty (60) days following receipt of the written demand to mediate;
- (v) all parties involved in the mediation acknowledge and agree that all offers, promises, statements, whether written or oral, made in the course of mediation are private, confidential and made without prejudice;
- (vi) the mediator shall not be a witness, consultant or expert for either party for this or any other dispute between the parties; and
- (vii) the mediation shall take place in the City of Toronto.

(B) Arbitration

In the event that the dispute referenced in Section 6.13(A) above cannot be resolved by mediation within sixty (60) days following receipt of the written demand to mediate, or if the parties do not agree to mediation, the dispute may then be submitted to arbitration in accordance with the provisions of the Arbitration Act, 1991, S.O. 1991, c.17, as amended, or any successor act. The parties shall mutually agree upon and appoint an arbitrator. If the parties cannot mutually agree upon and appoint an arbitrator within thirty (30) days of the respective party being served with written notice of arbitration by the party requesting the said arbitration, then either party may make application for the arbitrator to be appointed by a Justice of the Ontario Superior Court of Justice. Each party shall pay for one-half (½) of the fees and expenses of the arbitrator. The arbitrator shall receive and consider written or oral submissions from both parties. The decision of the arbitrator shall be binding upon the parties. The arbitration shall take place in the City of Toronto.

**Section 6.14
Non-Waiver**

No condoning, excusing or overlooking by the Landlord or Tenant of any default, breach or non-observance by the Tenant or the Landlord at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a waiver of the Landlord's or the Tenant's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect in any way the rights of the Landlord or the Tenant herein in respect of any such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the Landlord or the Tenant save only an express waiver in writing.

**Section 6.15
Non-Disturbance
Agreement**

The Landlord shall use commercially reasonable and diligent efforts to obtain, at any time during the Term, upon written request of the Tenant and at the Landlord's sole cost and expense, a non-disturbance agreement in the form attached hereto as Schedule "K" from every head landlord, mortgagee or other encumbrancer of the Lands.

**Section 6.16
Notices**

Any notice required or contemplated by any provision of this Lease shall be given in writing enclosed in a sealed envelope addressed in the case of notice to the Landlord to the address set out in Paragraph (f) of the Summary and in the case of notice to the Tenant to the address set

out in Paragraph (g) of the Summary, and delivered personally or by facsimile or mailed by either registered or signature mail and postage prepaid. The time of giving of notice by either registered or signature mail shall be conclusively deemed to be the fifth Business Day after the day of such mailing. Such notice, if personally delivered or if delivered by facsimile, shall be conclusively deemed to have been given and received at the time of such delivery. The parties hereto acknowledge and agree that notwithstanding anything to the contrary in the *Electronic Commerce Act, 2000*, S.O. 2000, c.17, as amended from time to time, any notice, statement, demand, request or other instrument which may be or is required to be given under this Lease or at law may not be validly delivered by way of electronic communication, save as specifically provided in this Section 6.16.

Either party may at any time during the Term by giving notice to the other party (in the manner provided above) change the address of the party giving such notice, and thereafter the address as set out in Paragraph (f) or (g) of the Summary, as the case may be, shall be deemed to be the address so changed.

**Section 6.17
Entire Agreement**

The Tenant and the Landlord acknowledge that there are no covenants, representations, warranties, agreements or conditions, expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease save as expressly set out in this Lease and that this Lease and the Schedules hereto constitute the entire agreement between the Landlord and the Tenant and may not be modified except as herein explicitly provided or except by subsequent agreement in writing of equal formality hereto executed by the Landlord and the Tenant. Schedules "A", "B", "C", "D", "E", "F", "G", "H", "I", "J", "K", "L", "M" and "N" which are attached to this Lease, form part of this Lease.

**Section 6.18
Registration**

The Tenant may, at its option, register a Notice of this Lease in the applicable Land Registry or Land Titles Office and the Landlord shall cooperate with the Tenant to facilitate the registration and execute all documentation required for such purpose.

**Section 6.19
Severability**

The Landlord and the Tenant agree that all of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate paragraph hereof. Should any provision or provisions of this Lease be illegal or not enforceable, it or they shall be considered separate and severable from this Lease and its remaining provisions shall remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.

**Section 6.20
Interpretation**

The words "herein", "hereof", "hereby", "hereunder", "hereto", "hereinafter", and similar expressions refer to this Lease and not to any particular paragraphs section or other portion thereof, unless there is something in the subject matter or context inconsistent therewith. In no event shall this Lease be interpreted as a net lease and the Tenant shall only be responsible for costs and expenses specifically set out herein.

**Section 6.21
Headings and
Captions**

The headings in this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope of meaning of this Lease nor any of the provisions hereof.

**Section 6.22
Effect of Lease**

This Lease and everything herein contained shall operate to the benefit of and shall be binding on the parties hereto and shall be binding upon the respective successors, assigns and other legal representatives, as the case may be, of each of the parties hereto subject to the granting of consent by the Landlord as provided herein to any assignment or

sublease, and subject to the foregoing limitation and any provisions of this Lease to the contrary, every reference herein to any party hereto shall include the successors, assigns and other legal representatives of such party.

**Section 6.23
Survival of
Agreement**

Neither the execution of this Lease nor the occupancy of the Premises by the Tenant or Occupant waives the obligations of the Landlord or the Tenant to comply fully with and to perform the terms, covenants and conditions of the Agreement to Lease. The provisions of the Agreement to Lease shall survive until waived expressly, are performed, or are otherwise satisfied. Any waiver by either the Landlord or Tenant of a condition or the performance of any obligation of either of them under the Agreement to Lease shall be effective only if in writing.

In the event of a conflict between the provisions of the Agreement to Lease and those of this Lease, such provisions of this Lease shall prevail.

**Section 6.24
Binding on Tenant**

This Lease shall not be binding upon the Tenant until it has been executed by the Ontario Infrastructure and Lands Corporation.

**Section 6.25
Governing Law**

This Lease shall be governed by and construed in accordance with the laws of Ontario.

**Section 6.26
Time of Essence**

Time shall be of the essence hereof.

**Section 6.27
Freedom of
Information and
Open Data
Directive**

The Landlord acknowledges that this Lease and any information contained herein, may be required to be released pursuant to the provisions of the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31, as amended and the Open Data Directive as amended. This acknowledgement shall not be construed as a waiver of any right to object to the release of this Lease or of any information or documents.

**Section 6.28
Cancellation**

The Tenant shall have the right to cancel the Lease with such date of cancellation to be effective at any time after the Commencement Date, by giving the Landlord no less than six (6) months' prior written notice of cancellation.

**Section 6.29
Relocation**

The Landlord shall have no right whatsoever to relocate the Tenant from the Premises, or to alter or reconfigure the Premises, during the Term.

**Section 6.30
Additional Space**

If during the Term the Tenant requires additional space, the Landlord covenants and agrees to use commercially reasonable efforts to lease such additional space to the Tenant or, at the Tenant's request, relocate the Tenant to larger premises within the Building, subject to availability and to the parties agreeing upon the terms and conditions of such relocation. For the sake of clarity, the relocation right contained herein is for the Tenant's benefit only.

**Section 6.31
Certificates**

Whenever requested by the Landlord or the Landlord's lender, the Tenant shall promptly execute and deliver to such party an estoppel certificate or other form of certified acknowledgement as to the then status and validity or otherwise of this Lease, and the state of the rental account hereunder, on the Tenant's then standard form or such other form as is acceptable to the Tenant, acting reasonably. Whenever requested by the Tenant or any party authorized in writing by it, the Landlord shall deliver a similar certificate to the Tenant or such other party.

Section 6.32
Reasonableness

Notwithstanding anything contained in this Lease to the contrary, (a) any allocation of any cost, charge or expense shall be done on a reasonable and equitable basis, (b) wherever in this Lease consent, permission or approval is required by either the Landlord or the Tenant, unless specified to the contrary elsewhere in this Lease, such consent, permission or approval shall not be unreasonably withheld or delayed, and (c) in exercising any of its rights or remedies under this Lease, the Landlord and the Tenant shall each act in a reasonable and prudent manner.

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**Section 6.33
Indemnification**

The parties agree that in order to be entitled to indemnification from either the Tenant under Section 4.11, or from the Landlord under sections 5.10, 5.16 or 5.18 of this Lease (each, an “Indemnifying Party”) in respect of any matter referred to therein (a “Claim”), each person seeking indemnification (a “Protected Person”) shall comply with the following terms and conditions:

- (a) if a Protected Person receives a notice of Claim or Claims, whether actual or threatened, he, she, or it shall promptly deliver to the Indemnifying Party written notice setting forth in reasonable detail all available particulars of the Claim(s);
- (b) upon the written request of the Indemnifying Party, each Protected Person shall furnish to the Indemnifying Party copies of all documents and provide any other information relating to the Claim(s) that is in the possession or under the control the Protected Person;
- (c) each Protected Person shall take all reasonable steps necessary to secure and preserve his, her or its rights in respect of the Claim(s) and, to the extent that the Protected Person has a right to commence a proceeding against another person (whether for damages or indemnification or otherwise) in respect of a matter for which the Protected Person claims indemnification from the Indemnifying Party hereunder, the Protected Person shall assign that right to the Indemnifying Party and subrogate the Indemnifying Party to that right to the extent of the amounts paid by the Indemnifying Party or for which the Indemnifying Party is liable hereunder;
- (d) each Protected Person shall not voluntarily assume any liability in respect of or settle or compromise a Claim(s) or any proceeding relating thereto without obtaining the Indemnifying Party’s prior written consent;
- (e) the Indemnifying Party shall have the right to participate in the negotiation, settlement or defence of the Claim(s) and any proceedings relating thereto or appeal thereof, but the Indemnifying Party may not settle any action commenced against a Protected Person without the written consent of that Protected Person;
- (f) if the Indemnifying Party elects to participate in or assume control of the negotiation, settlement or defence of the Claim(s) and any proceedings relating thereto or appeal thereof, each Protected Person shall cooperate fully with the Indemnifying Party in connection with the same, and each Protected Person shall agree to be represented by legal counsel chosen by the Indemnifying Party, unless, in the opinion of such legal counsel, there would arise a conflict of interest preventing such legal counsel from representing the Protected Person, and, where it is such legal counsel's opinion that a conflict of interest prevents their representing a Protected Person, that Protected Person shall be entitled, subject to the Indemnifying Party's prior written approval, to retain legal counsel of his, her or its choice (it being understood that the Tenant may withhold its approval in relation to any counsel proposed by a Protected Person who does not agree to retainer terms, including fees, consistent with the policies of the Ministry of the Attorney General of Ontario), and the fees and expenses of the Protected Person’s counsel incurred in his, her or its representation shall be costs to which this indemnity extends;
- (g) if the Indemnifying Party is not also a party to the Claim, the Protected Party shall consent to any order or leave that may be applied for by the Indemnifying Party to be added as a party or

to be allowed to make representations on its own behalf without being a party;

- (h) the expenses incurred by a Protected Person in investigating, defending or appealing any Claim(s) shall, at the Protected Person's request, be paid by the Indemnifying Party as may be appropriate to enable the Protected Person to properly investigate, defend or appeal such Claims(s), with the understanding that if it is ultimately determined that the Protected Person is not entitled to be indemnified hereunder, the Protected Person shall immediately repay such amount(s) so paid, which shall become payable as a debt due to the Indemnifying Party; and
- (i) the Protected Person agrees to pay to the Indemnifying Party all amounts he, she, or it receives as a recovery or reimbursement of any Claim which has been previously indemnified by the Indemnifying Party hereunder.

To the extent necessary to give effect to the foregoing indemnity with respect to the Landlord Indemnified Parties (other than the Landlord), the Landlord shall hold all such rights of indemnification in trust for the benefit of the other Landlord Indemnified Parties. To the extent necessary to give effect to the foregoing indemnities with respect to the Tenant Indemnified Parties (other than the Tenant), the Tenant shall hold all such rights of indemnification in trust for the benefit of the other Tenant Indemnified Parties.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

IN WITNESS WHEREOF the parties hereto have executed this Lease.

SIGNED, SEALED & DELIVERED

Dated the ____ day of _____, 20__.

THE CORPORATION OF THE MUNICIPALITY OF NORTH GRENVILLE

Per: _____ c/s

Name:

Title:

Authorized Signing Officer

I/We have the authority to bind the corporation.

Dated the ____ day of _____, 20__.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF GOVERNMENT AND CONSUMER SERVICES, AS REPRESENTED BY ONTARIO INFRASTRUCTURE AND LANDS CORPORATION

Per: _____

Name:

Title:

Authorized Signing Officer

DRAFT

SCHEDULE "A"

LEGAL DESCRIPTION OF THE LANDS

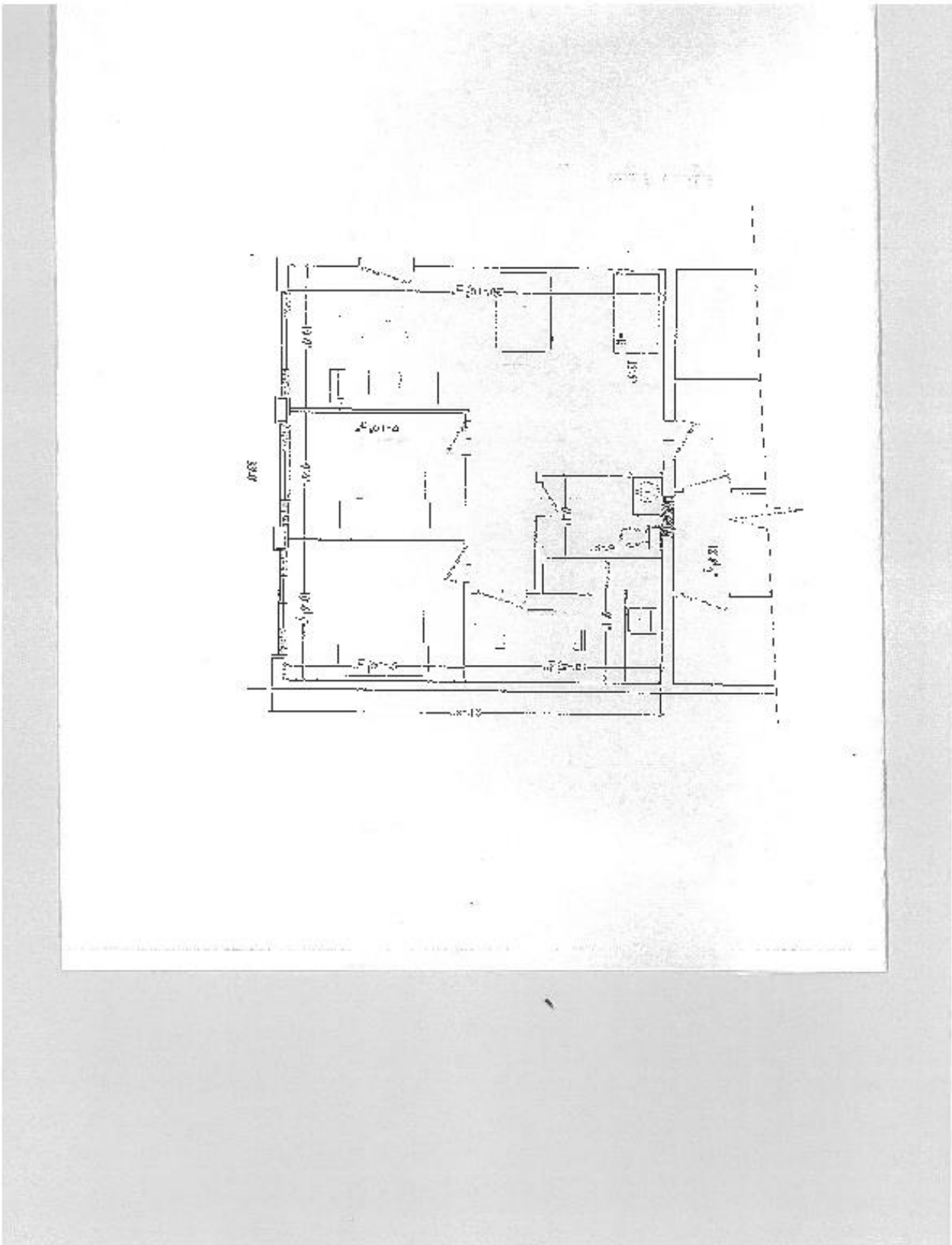
LOT 18 NW/S N VICTORIA ST PL 11 KEMPTVILLE, NORTH GRENVILLE

68128-0395 (LT)

DRAFT

SCHEDULE "B"

FLOOR PLAN



SCHEDULE "C"

**NOTIFICATION OF THE PRESENCE OF ASBESTOS CONTAINING MATERIAL
IN THE BUILDING
CONTAINING PREMISES LEASED BY HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE MINISTER OF GOVERNMENT AND
CONSUMER SERVICES**

**RE: REGULATION RESPECTING ASBESTOS ON CONSTRUCTION PROJECTS
AND IN BUILDING AND REPAIR OPERATIONS MADE UNDER THE
OCCUPATIONAL HEALTH AND SAFETY ACT, ONTARIO REGULATION
278/05, as amended or replaced from time to time.**

LOCATION: 509 Kernahan Street, Kemptville, ON

LEASE NO: L12226

- [] There is no asbestos containing material in the Building.
- [] There is asbestos containing material in the Building.
- [] There is friable asbestos containing material in the Building.
- [] There is non-friable asbestos containing material in the Building.
- [] There is an asbestos containing material management plan in the Building.

Location(s) of Asbestos Containing Materials within the Building:

Location 1:

Location 2:

Location 3:

[Add further locations, as may be applicable]

Types of Asbestos:

- 1.
- 2.
- 3.

Notification prepared by:

Name:
Title:
Authorized Signing Officer

Date:

SCHEDULE "D"

ELECTRICAL REQUIREMENTS

Electrical requirements shall be provided to meet standards outlined in Section 5.3 of the Lease and as follows:

1. **Electrical Power**

- 1.1 Distribution system must be six hundred (600) amp, three (3) phase, four (4) wire or two hundred and eight (208) / one hundred and twenty (120) volts, three (3) phase, four (4) wire and available within the Building for mechanical equipment.
- 1.2 Emergency power including supply for exit lighting, stairwell lighting, fire alarm and other systems to be in accordance with all relevant legislation, codes and regulations.
- 1.3 Circuiting at a rate of one (1) x one hundred and twenty (120) volt circuit per occupant plus twenty (20%) percent spare capacity using forty-two (42) circuit panelboard, each ready for feeds on each floor with the ability to provide one-hundred and twenty (120) volt dedicated circuits.
- 1.4 Landlord to supply, in addition to the lighting system, forty-four (44) watts of power per rentable square metre at the panel boards for the Tenant's use. Each transformer supplying a panel board to which desktop computers are to be connected, shall be derated to fifty (50%) percent of its nameplate rating exclusive of any allowance for future loads, to allow for harmonic currents. Alternatively, harmonic mitigating transformers can be supplied, in lieu of standard transformers. Harmonic mitigating transformers may be loaded to eighty (80%) percent of their nameplate ratings. The neutral conductors of the feeders from the transformer to the panel boards shall have twice the current rating of the phase conductors.
- 1.5 Landlord is to ensure that the supply of power to lighting, receptacles and mechanical systems are via separate and distinct power sources.
- 1.6 Special grounding for computer or other electronic equipment is not required unless specifically described elsewhere in the Lease.
- 1.7 All existing wiring within the Premises shall be removed back to the panel boards.
- 1.8 Each floor or part floor of the Premises shall be equipped with local switches for lighting control.

2. **Levels of Illumination**

The levels of illumination shall be in accordance with IES recommendations and the listed levels below shall represent the minimum average maintained conditions and in the case of office and working space shall be:

<u>Area</u>	<u>Level (in Lux)</u>
Office space without VDT (Visual Data Terminals) use, reading tasks	500 (at desktop)
Office space with VDT use* (provide local task lighting to provide minimum five hundred (500) lux where reading tasks performed)	300 (at desktop)
Lobbies, storage, washrooms	200 (at floor)
Circulation areas, stairs	100 (at floor)
Covered parking	50 (at pavement) 100 (at entrance)
Exterior parking	10 (at pavement)
Emergency lighting on stairs/ramps	30 (at floor)

* Provide VDT area lighting in accordance with IES RP1-1993 recommendations as to ceiling brightness as well as lighting level.

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SCHEDULE "E"

HVAC, PLUMBING & DRAINAGE AND FIRE PROTECTION SYSTEMS

1. HVAC SYSTEM

The Landlord shall keep all parts of the Premises heated with artificial heat to a proper and reasonable temperature and provide air-conditioning, ventilation, and humidification in accordance with the following design standards:

- 1.1 Outside design conditions shall be as indicated in the "Ontario Building Code 1997, Section 2.5.1 Climatic and Seismic Values" and the associated "Table 2.5.1.1 Design Data For Selected Locations in Ontario". For summer use the two and one-half (2-1/2%) percent July dry bulb and wet bulb temperatures. For winter use the one (1%) percent January design temperature.
- 1.2 The heating system shall maintain an indoor temperature of twenty-two (22) degrees Celsius plus/minus one (1) degree Celsius temperature of twenty-two (22) dry bulb with the winter outside design conditions noted above.
- 1.3 The air-conditioning system shall maintain an indoor temperature of not more than twenty-four (24) degrees Celsius dry bulb with a two (2) degrees Celsius with the summer outside design conditions noted above.
- 1.4 The ventilation system shall supply a minimum of ten (10.0) litres per second of outside air per ten (10.0) square metres of net floor area at the specified outside design conditions. (Based on ten (10) square meters floor area per person and ten (10) L/s per person fresh air for office spaces as per ASHRAE standard 62 - 1989).
- 1.5 The humidification system shall maintain a minimum of twenty (20%) percent relative humidity at outside conditions below minus five (5) degrees Celsius, and a minimum of twenty-five (25%) percent relative humidity at outside conditions above minus five (5) degrees Celsius. The Building envelope must contain a suitable vapour barrier to maintain the specified humidity levels and minimize moisture transfer by diffusion into the envelope assemblies.
- 1.6 The carbon dioxide concentration in the Premises shall not exceed eight hundred (800) PPM at any location.
- 1.7 The Landlord shall ensure that all control settings are checked prior to the beginning of each Business Day and after any temporary office closure periods such as weekends or statutory holidays, to ensure that proper environmental conditions are met.
- 1.8 The Landlord shall ensure that the safety and integrity of air distribution systems serving the Building are maintained at all times including, without limitation, regularly, and in any event, at least annually, testing for spores, moulds and other Environmental Contaminants.
- 1.9 In accordance with the Ontario Building Code, the building heating, ventilating and air conditioning systems shall be designed and operated to conform to good engineering practice. As such, systems shall be energy efficient and comply with ASHRAE 90.1-1989"Energy Efficient Design of New Buildings except Low-rise Residential Buildings" and the "Model National Energy Code For Buildings 1997".
- 1.10 The air conditioning system capacity shall allow for the occupant load at one (1) person per ten (10) square metres, the solar and transmission heat gains and an allowance of sixteen (16) watts per square metre for lighting and sixteen (16) watts per square metre for office equipment heat gains.
- 1.11 The air handling systems shall have air filtration with efficiencies per ASHRAE Standard 52.1-1992 including pre filters at thirty (30%) percent efficiency and final filters at eighty-five (85%) percent efficiency.

- 1.12 All mechanical equipment shall be isolated and silenced to maintain noise levels in the occupied space at a noise criterion (NC) of thirty-five (35) or less. Space must be free from any annoying, recognizable noise characteristics such as rumble, hiss, tones and variable noise patterns.
- 1.13 Thermostatic controls: Individual control zones shall be provided for each perimeter corner condition, every fifty (50) square metres of perimeter space and for every one hundred (100) square metres of interior space. Within a control zone, heating and cooling shall be controlled in sequence.
- 1.14 Outside air intakes for the building shall be located sufficiently far from building exhausts, loading docks and external sources of pollution to prevent ingestion of contaminants.

2. PLUMBING AND DRAINAGE SYSTEM

- 2.1 The Landlord shall supply at each side of the core of each floor of the Premises capped plumbing and drainage services to serve the tenant's plumbing installations. Minimum services shall include a twenty-five (25) mm valved and capped domestic cold water connection, fifty (50) mm vent, one hundred (100) mm sanitary drain (at the level below).

3. FIRE PROTECTION SYSTEMS

- 3.1 All sprinkler systems, fire standpipe systems and portable fire extinguishers shall be designed and installed in accordance with the Ontario Building Code, National Fire Code and NFPA requirements.

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SCHEDULE "F"

WASTE MANAGEMENT AND RECYCLING PROGRAM

1. The Government of Ontario Recycling Program is as follows:
2. Waste in premises leased by the Tenant will be separated by employees of the Occupant Ministry into five (5) categories (herein referred to as "Source Separated Recyclable Materials"):
 - a. Fine Paper
 - b. Newspaper
 - c. Glass and metal, and food and beverage containers
 - d. Disposable Waste
 - e. Cardboard
3. Note: The number of categories may be increased or materials within categories changed.
4. The Tenant will provide the following equipment to assist the Landlord in the collection of Source Separated Recyclable Materials:
 - a. Desk-top collection containers to be placed on each individual's desk, and to be emptied by the Tenant.
 - b. Metal floor bins for the central collection of newspapers and fine papers.
 - c. Reusable burlap bags to line the metal floor bins.
 - d. Blue boxes for the collection of glass and metal food and beverage containers.
5. Source separation will be carried out by employees of the Occupant Ministry in the following manner:
 - a. Collecting of fine paper in desktop containers.
 - b. Depositing fine paper in strategically located floor containers marked "The Paper Saver".
 - c. Depositing newspapers in strategically located floor containers marked "The Newspaper Saver".
 - d. Depositing glass, and metal, food and beverage containers into strategically located "Blue Box" containers.
 - e. Depositing all other waste into existing waste bins at each work station.
6. All five (5) categories listed in Section 1 hereof will be collected in accordance with existing housekeeping and maintenance routines (i.e. containers dumped daily by cleaning staff). The five (5) categories will be kept separate and distinct in the Landlord's holding area for pickup of recyclables. The Landlord agrees to collect, store and remove all Source Separated Recyclable Materials from the Premises on a regular basis, and as required for the purposes of recycling.
7. The remaining waste, as described in Category 1.4 of Section 1, will be handled in the usual manner for the Premises and Building.

SCHEDULE "G"

CONSERVATION OF ENERGY AND WATER

In view of the Tenant's policy of conservation of energy and water, the Landlord covenants to adhere under the Lease, wherever possible, to the following procedures:

1. Lighting

The energy efficiency of all indoor fluorescent lamps shall be T8 or better and shall employ high efficiency electronic ballasts. Individual four (4) foot fluorescent lamps shall consume no more than thirty (30) watts each. The choice of lamps and ballasts shall not compromise the required nominal levels of illumination as set forth in Schedule "H" to this Lease.

Existing indoor incandescent bulbs, except those required for architectural decor, such as chandeliers, shall be replaced, where possible without fixture modification, by suitable compact fluorescent bulbs.

The use of lighting equipment that promotes energy efficiency, such as, by way of example:

- (i) lighting control systems with updated schedules
- (ii) occupancy sensors
- (iii) photocells

shall be employed, wherever possible, in the lighting system of the Building.

2. Heating and Cooling

Energy consumed for heating and cooling shall be reduced:

- 2.1 The heating, ventilating and air conditioning systems shall be audited annually for control compliance to ensure efficient operation. Controls shall be in place to prevent simultaneous heating and cooling of a given space and/or its air supply. Suitable indoor ventilation control shall be in place to prevent over or under ventilation of space by use of CO2 sensors. Levels shall be prescribed by ASHRAE standard 62-2001 recommended CO2 levels for indoor office space.

The use of heating, ventilating and air conditioning equipment that promotes energy efficiency, such as, by way of example:

- (i) variable frequency drives on fans and pumps
- (ii) DDC Building Automation System with updated schedules
- (iii) Cooling towers fitted with heat exchangers to allow free cooling during the winter
- (iv) high efficiency motors on fans and pumps

shall be employed, wherever possible, in the heating and cooling systems of the Building. During the heating season, temperature control devices for general office space shall be to maintain seventy (70) – seventy-two (72) degrees Fahrenheit (being twenty-one (21) – twenty-two (22) degrees Celsius) during working hours and set back to sixty-five (65) degrees Fahrenheit (being eighteen (18) degrees Celsius) during non-working hours. Temperatures in warehouses and similar space shall be adjusted lower than the sixty-five (65) – sixty-eight (68) degrees Fahrenheit (being eighteen (18) – twenty (20) degrees Celsius) depending on the type of occupancy and activity in the space.

- 2.2 During the cooling season, temperature control devices for general office space shall be set to maintain seventy-six (76) – seventy-eight (78) degrees Fahrenheit (being twenty-four

(24) – twenty-six (26) degrees Celsius) during working hours and set up to eighty-six (86) degrees Fahrenheit (being thirty (30) degrees Celsius) during non-working hours.

3. Water

3.1 Landscape Architectural Considerations:

3.1.1 Use drought-tolerant plants when designing the landscape.

3.1.2 Consider sub-surface drip irrigation systems.

3.1.3 Where feasible, store rain water in settling ponds to be used for irrigation.

3.1.4 Avoid, where feasible, creating large paved areas around buildings.

3.2 Mechanical Considerations:

3.2.1 Use reduced flow rate type plumbing fixtures conforming to the Ontario Building Code, section 7.6.4 Water Efficiency (Max nine and five tenths (9.5) L/min. (two and five tenths (2.5) US-GPM) per shower head).

3.2.2 Consider utilizing metering type valves, to limit duration of water flow in fixtures.

3.2.3 Use low flow water closets with not more than six (6.0) litres per flush and urinals with not more than three and eight tenths (3.8) litres per flush.

Where allowed by the local water utility agency and in cases where the facility operates water based cooling tower, the Landlord shall apply annually for a sewer rebate and any recoveries shall be used by the Landlord to increase the energy efficiency in the Building. The Landlord shall be responsible, wherever possible, for installing suitable water meters on the tower's make-up and blow-down lines and shall be responsible to ensure these meters are properly read for purposes of reporting to the local water utility agency.

Proof of energy efficiency measures through operational changes shall be provided by the Landlord to the Tenant, in writing annually.

4. Cleaning (where cleaning is carried out under direction of the Landlord)

The Landlord shall ensure that all office lights in the Building are switched off promptly at 6:00 p.m. each night except on portions of floors where employees of the Occupant, other tenants of the Building or cleaning staff are working. Office lights are to be switched off on the floors or portion of a floor as cleaning is completed. Cleaning to be scheduled in such a manner as to optimize the energy saving for heating, cooling and lighting.

5. Additional Procedures

As an agency of the Government of Ontario, it is the Tenant's goal to support government initiatives to conserve energy, encourage alternative fuels and support clean energy production. As such, the Tenant shall have the right to impose such other and further energy conservation procedures and policies as in its sole judgement may from time to time be necessary or reasonable, upon giving the Landlord at least thirty (30) days notice in writing.

SCHEDULE "H"

LEASEHOLD IMPROVEMENTS BY TENANT

The Landlord does hereby grant permission to the Tenant to undertake and to complete, at the Tenant's sole cost and expense, any Leasehold Improvements to be effected within the Premises, both prior to the Commencement Date and during the Term, provided that such Leasehold Improvements do not affect the Structure and that where such Leasehold Improvements may affect the Mechanical and Electrical Services, the Tenant agrees to allow the Landlord's professional engineers, to review the Tenant's Leasehold Improvements drawings for Mechanical, Electrical and Structural. The Tenant will give the Landlord written notice of its intention to undertake any Leasehold Improvements and, upon request, shall supply the Landlord with plans of the proposed Leasehold Improvements. The Tenant will obtain the prior written approval of the Landlord for any Leasehold Improvements that affect the Structure or the Mechanical and Electrical Services, which approval will not be unreasonably withheld or unduly delayed. The Landlord will co-operate with the Tenant's contractors and if required, provide the Tenant with existing professionally prepared plans of the Structure and Mechanical and Electrical Services.

Once the Tenant submits its plans and specifications (the "Plans") for its Leasehold Improvements to the Landlord for the Landlord's review and approval, if such approval is required hereunder, the Landlord shall have a period of ten (10) days (the "Review Period") to review the Plans. The Landlord shall be deemed to have approved the Plans as presented unless, on or before the last day of the Review Period, the Landlord has delivered to the Tenant a written description of the specific structural items in the Plans that are not acceptable to the Landlord, acting reasonably, and a description of the specific changes that must be made to the Plans to secure the Landlord's approval.

The Tenant may require the Landlord to use its mechanical, electrical and structural engineers to design the Tenant's Leasehold Improvements at the cost of the Tenant. The amount payable for such services will be negotiated between the Tenant and the Landlord on a square foot basis.

Upon approval (or deemed approval) of the Plans by the Landlord, the Landlord shall deliver to the Tenant, within twenty (20) days of the date of approval (or deemed approval) of the Plans, three (3) copies of the mechanical and electrical design drawings for any initial tenant's Leasehold Improvements (the "Mechanical and Electrical Drawings") prepared at the Landlord's sole cost and expense, which the Tenant shall approve or provide the Landlord with its reasonable requests for revisions, within ten (10) days thereof.

Upon approval by the Tenant of the Mechanical and Electrical Drawings, the Tenant may proceed with the installation of any initial tenant's Leasehold Improvements and the Landlord shall proceed with the installation, at the Tenant's sole cost and expense and subject to Section C, Subclause I(r) in Schedule "I" of this Lease, of all Mechanical and Electrical Services required for the completion of the initial Tenant's Leasehold Improvements.

In respect of the installation of any initial tenant's Leasehold Improvements, the Tenant shall be allowed to cut perimeter convection cabinets, where necessary, without disturbing the operation of Mechanical and Electrical Services, to ensure acoustical privacy between offices, meeting rooms and other rooms as required.

There will be no requirement, on the part of the Tenant, with respect to union or non-union affiliations of the employees of the Tenant's chosen contractor. It is understood and agreed that the Tenant may, within its sole discretion, determine (a) the process used by the Tenant for obtaining its contractor(s), and (b) the contractors invited to participate in the chosen selection process.

Notwithstanding anything in this Lease (including this Schedule "H") to the contrary, the Landlord hereby acknowledges and agrees that where applicable Laws require the Tenant to construct, alter and/or remove certain Leasehold Improvements in or about the Premises, the Landlord's consent and approval to such construction, alteration and/or removal shall be deemed to have been given.

SCHEDULE "I"

LEASEHOLD IMPROVEMENTS BY LANDLORD AND LANDLORD'S WORK

Intentionally deleted.

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SCHEDULE "J"

COMMUNICATIONS SYSTEMS

1. The Building shall have in place an adequate telephone conduit riser and space for the installation of a telephone system similar to PABX or SL-5, requiring a minimum of two (2) X two (2) inch conduits. . The Building shall also have an analog telephone line available to support the installation of TTY machines.
2. The Landlord shall provide a communications room on each floor, complete with nineteen and two tenths (19.2) mm thick plywood backboard and one (1) duplex receptacle on a dedicated circuit. Provide one (1) x one hundred (100) mm sleeve per floor with a connection, via one hundred (100) mm conduits, to the main communications room.

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SCHEDULE "K"

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

FILE #L●(INSERT NUMBER)

THIS AGREEMENT made as of the ●(INSERT MONTH) ●(INSERT DATE),
20●●(INSERT YEAR).

BETWEEN:

● (INSERT NAME OF MORTGAGEE)

(the "Mortgagee")

OF THE FIRST PART

- and -

**HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS
REPRESENTED BY THE MINISTER OF GOVERNMENT
AND CONSUMER SERVICES**

(the "Tenant")

OF THE SECOND PART

WHEREAS:

- A. ● (INSERT LANDLORD'S NAME), (the "Landlord") is the owner of certain lands and premises situate in the ● (INSERT CITY), in the ● (INSERT MUNICIPALITY), more particularly described in Schedule "A" attached hereto (the "Lands") and has granted a Charge/Mortgage of Land thereon to the Mortgagee (the "Mortgage") which was registered on the ● (INSERT DAY) day of ● (INSERT MONTH), 20● (INSERT YEAR) in the Land Registry Office for the Land Division of as Instrument Number ● (INSERT NUMBER).
- B. The Tenant is the tenant under an offer to lease submitted by the Tenant, as tenant, on ● (INSERT DATE) and accepted by the Landlord, as landlord, on ● (INSERT DATE) (the "Agreement to Lease"), pursuant to which the Landlord leased to the Tenant certain premises in the building municipally known as ● (INSERT ADDRESS) (the "Building") located on the Lands being ● (INSERT PORTION/ENTIRE & FLOOR) floor thereof more particularly described and shown in the Agreement to Lease (the "Premises") for a term of ● (INSERT NUMBER OF YEARS) (the "Term") and on and subject to the conditions set forth therein, a copy of which has been delivered to the Mortgagee.
- C. The Agreement to Lease provides that the Landlord and the Tenant, as tenant, shall enter into a lease in the form attached to the Agreement to Lease (the "Lease").
- D. The Mortgagee and the Tenant desire to confirm their agreement with respect to the Mortgage, the Agreement to Lease and the Lease.

[NTD: If Lease executed, amend sections to delete reference to Agreement to Lease and delete words in "[]" below]

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, and intending to be legally bound, the Mortgagee and the Tenant hereby agree and covenant as follows:

1. The Mortgagee represents and warrants to the Tenant that the Mortgage is unamended, in full force and effect and in good standing as at the date of this Agreement and there is no default thereunder.
2. The Tenant represents and warrants to the Mortgagee that the [Agreement to] Lease is unamended, in full force and effect and in good standing as at the date of this Agreement and that the Landlord and the Tenant are not in default thereunder.
3. The Tenant hereby agrees that the [Agreement to] Lease and the Lease are now, and shall at all times continue to be, subject and subordinate in every respect to the Mortgage and to all renewals, modifications, consolidations, replacements and extensions thereof and agrees that if, and for so long as the Mortgagee becomes a mortgagee in possession or realizes on its security by entering into ownership, possession or control of the Building and the Lands (together the "Project"), the Tenant shall attorn to the Mortgagee as a tenant upon the terms of the [Agreement to Lease and the] Lease. The Mortgagee hereby agrees with the Tenant that for so long as the Tenant is not in default under [either of the Agreement to Lease or] the Lease beyond the period of time thereunder permitted for rectification of the default:
 - (a) the Tenant's possession of the Premises and the Tenant's rights and privileges under the [Agreement to Lease and the] Lease, or any extensions or renewals thereof which may be effected in accordance with any option therefore in the [Agreement to Lease and the] Lease, shall not be diminished or interfered with by the Mortgagee other than in the lawful exercise of the Landlord's covenants and rights contained in the [Agreement to Lease and the] Lease; and
 - (b) all of the Tenant's rights and privileges under the [Agreement to Lease and the] Lease, including, without limitation, its rights of possession of the Premises and any rights of extension or renewal of the [Agreement to Lease and the] Lease and all of the covenants and obligations of the Landlord under the [Agreement to Lease and the] Lease, shall be binding upon the Mortgagee if, and only for so long as, it becomes a mortgagee in possession or realizes on its security by entering into ownership, possession or control of the Project notwithstanding any default under the Mortgage.
4. This Agreement shall not prevent or inhibit dealings between the Tenant and the Landlord concerning the [Agreement to Lease and the] Lease, including any amendments, waivers, assignments, sublets or agreements affecting the [Agreement to Lease and the] Lease.
5. This Agreement may not be modified orally or in any other manner than by an agreement in writing signed by the parties hereto or their respective successors in interest.
6. This Agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.
7. Any notice or communication to be given hereunder shall be deemed to have been sufficiently and effectively given if sent by either personal service or pre-paid registered mail to the party for which it is intended as follows:
 - (a) To the Mortgagee: ● (INSERT ADDRESS OF MORTGAGEE)
 - (b) To the Tenant:

Ontario Infrastructure and Lands Corporation
333 Preston Street, 10th Floor, Suite 1010
Ottawa, Ontario K1S 5N4
Attention: Vice President, Asset Management
Fax: (613) 738-4106

With a copy to:

Ontario Infrastructure and Lands Corporation

777 Bay Street, Suite 900
Toronto, Ontario M5G 2C8
Attention: Director, Legal Services (Real Estate and Leasing)
Fax: 416-326-2854

And an additional copy to:

CBRE Limited
18 King Street East, Suite 1100
Toronto, Ontario M5C 1C4
Attention: Global Workplace Solutions - Director, Lease Administration – OILC
Fax: (416) 775-3989

The date of receipt of any such notice shall be the date of delivery of such notice of service if service is made personally or the fifth Business Day after sending by pre-paid registered mail. Any party may from time to time notify the other of a change in address which thereafter, until changed by like notice, shall be the address of such party for all purposes of this Agreement. The Tenant agrees to deliver to the Mortgagee, simultaneously with delivery to the Landlord, a copy of any notice delivered by the Tenant to the Landlord to the effect that the Landlord has breached [either of the Agreement to Lease or] the Lease in a material way.

8. The parties hereto agree that they will from time to time at the reasonable request of the other party execute and deliver such instruments, conveyances and assignments and take such further action as may be required pursuant to the terms hereof to accomplish the purposes of this Agreement.
9. The parties acknowledge that the recitals set forth above are true and accurate in all respects.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

SIGNED, SEALED & DELIVERED Dated the ____ day of _____, 20__.

• (INSERT NAME OF MORTGAGEE)

Per: _____ c/s

Name:

Title:

Authorized Signing Officer

Dated the ____ day of _____, 20__.

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF GOVERNMENT AND
CONSUMER SERVICES, AS REPRESENTED BY
ONTARIO INFRASTRUCTURE AND LANDS
CORPORATION**

Per: _____

Name:

Title:

Authorized Signing Officer

[NTD: Attach Legal Description of Lands as Schedule “A”]

SCHEDULE "L"

JANITORIAL SERVICES SPECIFICATIONS

These specifications are designed to represent the recommended frequency of services anticipated, but are subject to specific site and weather conditions, with the fundamental criterion being that there be no visible soil on the Premises at the commencement of Normal Business Hours.

1. GROUNDS

- 1.1 Landscaping and maintenance of all outside or enclosed areas.
- 1.2 Removal of snow and ice including dirt, dust or other loose or objectionable materials from sidewalks, including municipal sidewalks if applicable, driveways and parking lots to ensure the safety of the public and the unhindered flow of vehicular traffic.

2. INSPECTION

The Tenant will have the right to inspect the Building to ensure that the work is being performed to the Tenant's satisfaction.

SCHEDULE "M"

Intentionally deleted.

DRAFT

SCHEDULE "N"

Intentionally deleted.

DRAFT

FORM OF LEASE

DATED: DECEMBER 18, 2018

THE CORPORATION OF THE MUNICIPALITY OF NORTH
GRENVILLE

- and -

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS
REPRESENTED BY THE MINISTER OF GOVERNMENT AND
CONSUMER SERVICES

1 Dundas Street West, Suite 2000
Toronto, Ontario M5G 2L5

OFFICE LEASE (GROSS)

Ontario Infrastructure and Lands Corporation
333 Preston Street, 10th Floor, Suite 1010
Ottawa, Ontario K1S 5N4

L12226

509 Kernahan Street, Kemptville, ON

OFFICE LEASE

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SCHEDULES

SCHEDULE "A"	LEGAL DESCRIPTION OF THE LANDS
SCHEDULE "B"	FLOOR PLAN
SCHEDULE "C"	FRIABLE MATERIAL
SCHEDULE "D"	ELECTRICAL REQUIREMENTS
SCHEDULE "E"	HVAC, PLUMBING & DRAINAGE AND FIRE PROTECTION SYSTEMS
SCHEDULE "F"	WASTE MANAGEMENT AND RECYCLING PROGRAM
SCHEDULE "G"	CONSERVATION OF ENERGY AND WATER
SCHEDULE "H"	LEASEHOLD IMPROVEMENTS BY TENANT
SCHEDULE "I"	INTENTIONALLY DELETED
SCHEDULE "J"	COMMUNICATIONS SYSTEMS
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SCHEDULE "L"	JANITORIAL SERVICES SPECIFICATIONS
SCHEDULE "M"	INTENTIONALLY DELETED
SCHEDULE "N"	INTENTIONALLY DELETED

DRAFT